DOCUMENT RESUME

ED 203 151 CE 029 293

TITLE Personal Finance Education Guide.
INSTITUTION Oregon State Dept. of Education, Salem.
PUB DATE 81
NOTE 80p.

EDRS PRICE MF01/PC04 Plus Postage.
DESCRIPTORS Adult Education: Behavioral Objectives: Competence: *Consumer Economics: *Consumer Education: *Consumer Protection: Credit (Finance): Economics: Employment: Income: Instructional Materials: Learning Activities: Legislation: Marketing: *Money Management: Purchasing
IDENTIFIERS *Consumer Skills: *Personal Finance Training

ABSTRACT

This guide is intended to assist curriculum planners and classroom teachers in designing and implementing personal finance instruction to meet a variety of student needs, interests, and abilities. It is organized under five concept areas: employment and income, money management, credit, purchase of goods and services, and rights and responsibilities in the marketplace. Each concept area contains several subconcepts. Under each subconcept the goals are listed at three levels of progressively greater complexity along with sample indicators of student performance. Classroom activities are accompanied by an outline of program content. Topics covered in the five concept areas include obtaining a job: meeting responsibilities for job success: employment law: financial security and employment: financial planning: banking and recordkeeping: savings: investments: legal documents: insurance: taxation: credit availability, use, selection, and problems: consumer credit laws: factors affecting consumer purchases: role of advertising: guidelines for shoppers: the U.S. economic system: rights and responsibilities of consumers and sellers: fraudulent and deceptive practices: sources of consumer assistance: and consumer legislation. (MN)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED203151

PERSONAL FINANCE EDUCATION GUIDE

Spring 1981

Verne A. Duncan
State Superintendent of
Public Instruction

Oregon Department of Education
700 Pringle Parkway SE
Salem, Oregon 97310

CE 029 293

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

S. J. Case

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

Federal law prohibits discrimination on the basis of race, color or national origin (Title VI of the Civil Rights Act of 1964); sex (Title IX of the Educational Amendments of 1972 and Title II of the Vocational Education Amendments of 1976); or handicap (Section 504 of the Rehabilitation Act of 1973) in educational programs and activities which receive federal assistance. Oregon laws prohibiting discrimination include ORS 659.150 and 659.030. The State Board of Education, furthermore, has adopted Oregon Administrative Rules regarding equal opportunity and nondiscrimination: OARs 581-21-045 through -049 and OAR 581-22-505.

It is the policy of the State Board of Education and a priority of the Oregon Department of Education to ensure equal opportunity in all educational programs and activities and in employment. The Department provides assistance as needed throughout the state's educational system concerning issues of equal opportunity, and has designated the following as responsible for coordinating the Department's efforts:

Title II—Vocational Education Equal Opportunity Specialist
Title VI—Equal Education and Legal Specialist
Title IX—Associate Superintendent, Educational Program Audit Division and Equal Education and Legal Specialist
Section 504—Specialist for Speech, Language and Hearing, Special Education Section

Inquiries may be addressed to the Oregon Department of Education, 700 Pringle Parkway SE, Salem 97310 or to the Regional Office for Civil Rights, Region X, 1321 Second Avenue, Seattle 98101.

Copyright 1981

3559219815000

contents

Foreword v

Acknowledgments vii

Introduction 1

Implementation 7

Assessment 11

Employment and Income 13

- Obtaining a Job 14
- Meeting Responsibilities for Job Success 16
- Employment Organizations 18
- Employment Law—Federal and State 20

Money Management 23

- Financial Security and Employment 24
- Financial Planning 26
- Banking and Recordkeeping 28
- Savings 30
- Investments 32
- Insurance 34
- Legal Documents 36
- Taxation 38

Credit 41

- Availability and Use 42
- Credit Selection 44
- Credit Problems 46
- Consumer Credit Laws 48

Purchase of Goods and Services 51

- Factors Affecting Consumer Purchases 52
- Role of Advertising 56
- Guidelines for Shoppers 58
- Making Specific Purchases 62

Rights and Responsibilities in the Marketplace 67

- The U S Economic System 68
- Rights and Responsibilities of Consumers and Sellers 70
- Fraudulent and Deceptive Practices 72
- Sources of Consumer Assistance 74
- Consumer Legislation 76

foreword

Since the costs of transportation, utilities, housing and food continue to escalate at an unprecedented rate, students must be able to make informed choices in managing their personal resources. For this reason, the study of personal finance is of vital interest to everyone.

This *Personal Finance Education Guide* is intended to help students develop a framework for understanding the day to day marketplace economy. The guide, as part of the ongoing effort to achieve excellence in education, is designed so that teachers may tailor instruction according to student needs and abilities. In this way, they will help students satisfy immediate needs, while encouraging the investigation of the more complex and subtle issues of consumer decisions.

The development of this guide represents the combined efforts of business, labor and others. While they find themselves to be competitors in the marketplace, together they developed a document speaking to the diversity which is characteristic of the economy. It is this kind of involvement and cooperation, the community working together, that helps to achieve an alliance for excellence in education—providing students with the best that education has to offer.

For further information, contact Marian Kienzle, Specialist, Consumer Education and Personal Finance, 378-3816, or toll free in Oregon 1-800-452-7813.

Verne A. Duncan
State Superintendent of
Public Instruction

acknowledgments

This guide was revised through the efforts of business and industry, government, and labor representatives working with classroom teachers and university staff. Their purpose was to provide current and accurate information needed by the consumer to function responsibly in the marketplace.

Particularly helpful was research conducted by Margaret Stamps ("An Analysis of the Acceptance and the Conceptual Clustering of Personal Finance Competencies as Identified by the Business Community and Personal Finance Teachers," Oregon State University, 1979), and by Gregory Breuner ("A Survey of Personal Finance Curriculum in Oregon Secondary Schools," Oregon State University, 1978).

Special thanks to the Personal Finance Advisory Committee members, the Economics Education Task Force, the Personal Finance Cadre, and the Consumer Protection Division of the Oregon Department of Justice, for advising and assisting during the revision process.

introduction

Preparing students to participate successfully in the United States economic system is a vital part of basic education. This publication presents guidelines to help schools develop a curriculum in personal finance which meets student and community needs.

Financial concerns of consumers and the relationship to basic economic concepts are the focus of this *Personal Finance Education Guide. Personal finance* is the area of study that relates those basic concepts and practices to the financial concerns of consumers. *Economics,* by way of contrast, is defined as the study of how limited resources are allocated to meet unlimited needs and wants. In Oregon, students are required to study in both content areas in order to earn a diploma.

This guide is intended to assist curriculum planners and classroom teachers in designing and implementing personal finance instruction which meets a variety of students' needs, interests and abilities. It is organized under five concept areas (with corresponding program goals): employment and income, money management, credit, purchase of goods and services, rights and responsibilities in the marketplace. Within each concept area are several sections, or subconcepts. Under each subconcept, such as *Financial Planning,* six course goals are listed at three levels of progressively greater complexity along with sample indicators of student performance. Classroom activities are accompanied by an outline of program content. In addition, the level that most students can be expected to attain is identified with an asterisk.

A bank of test items, now under development, provides the teacher with easy access to appropriate measures. Items are organized according to levels of difficulty.

Due to the rapidly changing nature of the subject, a separate personal finance resource list is available from the personal finance specialist at the Department of Education.

State Standards

Statewide goals for Oregon schools are presented in OAR 581-22-201:

> (1) The Board, in response to the changing needs of Oregon learners, sets forth six goals for the public schools.
>
> (2) Conceived and endorsed by Oregon citizens, the statewide goals are designed to assure that every student in the elementary and secondary schools shall have the opportunity to learn to function effectively in six life roles: INDIVIDUAL, LEARNER, PRODUCER, CITIZEN, CONSUMER and FAMILY MEMBER. . . .
>
> (3) The statewide goals shall be implemented through the district, program and course goals of each local school district. . . .

The State Board of Education's Standards for Oregon Schools contain certain requirements which relate directly to personal finance and economic education in Oregon. According to OAR 581-22-211:

> Each school district shall maintain a coordinated K/1-12 instructional program based on:
>
> (1) District goals adopted by the district school board and consistent with the goals adopted by the State Board;
>
> (2) Program goals consistent with goals adopted by the State Board;

(3) Competence requirements for graduation; and

(4) Course goals.

In addition, as partial fulfillment of the state graduation requirements listed in OAR 581-22-316, students must earn one unit of credit in personal finance and economics. According to OAR 581-22-102, a "unit of credit" is defined as "certification of a student's successful completion of classroom or equivalent work . . . in a course of at least 130 clock hours."

Goal-Based Planning

Goals give purpose and direction when planning activities and they provide a common language for discussing the merits of activities as they are carried out. As a reference for planning, districts use state goals, district goals, program goals, course goals.

State goals describe what the Oregon Department of Education thinks a student ought to learn in public school. District goals describe what the local community and its schools think a student ought to learn in school locally, and how such learning relates to state goals. Program goals describe what local curriculum planners and teachers think a student ought to learn in personal finance and economic education and how such learning relates to district goals. Course goals describe what teachers think a student ought to learn in personal finance and economics and how such learning relates to program goals.

Competence Requirements

Competence is a separate but related part of goal-based planning. It is one of three graduation requirements.* While districts plan and evaluate instruction by means of goals, minimum requirements for graduation are based on credit, attendance and competence.

Competence means being capable, and students indicate competence by demonstrating their knowledge and skills. Districts verify student competence through the local list of indicators of competence (what many people have called "competencies").** Districts generally have developed indicators of competence for the "consumer" in four areas—reading, writing, mathematics and reasoning. However, the curriculum may be developed for all *six* by adding listening and speaking to the required competence areas.

*OAR 581-22-316

**See Competence Guidelist, *Standards Guidelines: Competence Requirements* (Salem: Oregon Department of Education, 1980), page 2.

For example, in personal finance:

STATE GOALS FOR OREGON LEARNERS

INDIVIDUAL	LEARNER	PRODUCER	CITIZEN	CONSUMER	FAMILY MEMBER

DISTRICT GOAL

Students will know how the use of personal resources affects and is affected by our economic system.

PROGRAM GOAL

Students will be able to make financial decisions which contribute to financial stability and personal satisfaction.

COURSE GOALS—SECONDARY 9-12

The student will be able to judge the impact of financial planning on money management and economic security.

COMPETENCE REQUIREMENTS AND RELATED INDICATORS

A Read
eg, Following a reading assignment, distinguish between fixed and flexible expenses.

B Write
eg, Describe ways financial planning helps to budget resources.

C Math
eg, Prepare budgets for different income levels, using percentages for various expenditures.

D Speak
eg, In a presentation to the class, point out ways in which financial planning helps individuals and families in specific situations.

E Listen
eg, Following a classroom presentation, list steps in planning a budget.

F Reason
eg, Justify the need for financial planning in specific situations.

It is important that teachers providing personal finance and economics instruction be directly involved in developing district, program and course goals so that their curriculum is coordinated with other subject areas.

When developing program and course goals, it should be pointed out that personal finance and

**These are sample performance indicators taken from 2.2 Financial Planning, page 26. Districts may adapt any of the performance indicators as indicators of competence.*

economic education have several interrelated areas of study, yet each has its own subject matter focus. The concepts and goals listed below show the scope of the personal finance curriculum presented in this guide.

PERSONAL FINANCE

CONCEPT AREAS	PROGRAM GOALS
Employment and Income	Students will be able to function responsibly in the interrelated roles of wage earner and consumer in the marketplace.
Money Management	Students will be able to make financial decisions which contribute to financial stability and personal satisfaction.
Credit	Students will be able to plan for using credit in terms of present and future needs and income.
Purchase of Goods and Services	Students will be able to make wise decisions about utilizing resources when purchasing goods and services.
Rights and Responsibilities in the Marketplace	Students will understand common economic problems and be able to function as responsible consumers in the marketplace.

The following table illustrates how personal finance reinforces various concepts in economics.

Personal Finance Curriculum	Economic Concepts				
	ECONOMIC FOUNDATIONS	ECONOMIC SYSTEMS	RESOURCE ALLOCATION AND INCOME DISTRIBUTION: Microeconomics	ECONOMIC STABILITY AND GROWTH: Macroeconomics	TOOLS OF ANALYSIS
EMPLOYMENT AND INCOME					
Obtaining a Job	O				O
Meeting Responsibilities for Job Success		O		O	X
Employment Organizations		O			O
Employment Laws—Federal and State	O				O
MONEY MANAGEMENT					
Financial Security and Employment	O	X	X		X
Financial Planning	X	X	X		X
Banking Services and Financial Records			O		X
Savings			O	X	X
Investments			O	X	X
Insurance			O		X
Legal Documents					O
Taxation			X	O	X
CREDIT					
Credit Availability and Use				O	X
Credit Selection				O	X
Credit Problems					O
Consumer Credit Laws					O
PURCHASE OF GOODS AND SERVICES					
Factors Affecting Consumer Purchases	X	X	X	O	X
The Role of Advertising			O		X
Guidelines for Shoppers	X	O	O		X
Making Specific Purchases	O		X		X
RIGHTS AND RESPONSIBILITIES IN THE MARKETPLACE					
The U S Economic System	O	X	X	O	X
Rights and Responsibilities of the Consumers/Sellers	X	X	X		X
Fraudulent and Deceptive Practices					O
Sources of Consumer Assistance			O	X	O
Consumer Legislation		X		O	O

O - Indicates minor emphasis.
X - Indicates major emphasis.

implementation

According to State Board of Education commentary on OAR 581-22-316: "Personal Finance and Economics - Each student will study materials in both content areas . . . districts may develop various offerings designed to meet the needs of students, but in all cases the content must be directly identified with personal finance and economics." This commentary was developed to further clarify rule language as well as the Board's intent when adopting the rule.

While the personal finance and economics requirement calls for study in *both* content areas, it does not define the amount or proportion of time for either. There are a number of ways to meet the credit requirement. Personal finance could be integrated in varying degrees with economic education; either personal finance or economic education could be the major focus. Personal finance and economics could be taught as a single course or a series of courses, or through separate courses.* Even when taught as part of other instructional programs, such as business education, home economics, mathematics, and social studies, program goals and course goals must be developed for personal finance and economics.

RECOMMENDED STEPS IN ESTABLISHING A PERSONAL FINANCE CURRICULUM

STEP 1 DETERMINE LOCAL DISTRICT NEEDS.

Review state standards and curriculum guidelines.

Establish community review process utilizing the services of:

advisory committees,
curriculum committees,
student, parent, teacher groups.

Analyze economic data, trends and needs in the local area.

Research resources available in the community.

Compile information about local needs as a basis for program development.

STEP 2 SECURE ADMINISTRATIVE AND SCHOOL BOARD SUPPORT.

Coordinate district goals for personal finance with program development at the school level.

Determine course of study in light of total curriculum offerings:

*With the first approach, no specific subject endorsement for certification is required; with the latter, the economics teacher must hold a social studies endorsement.

program goals*,
staff assignment and training,
budgetary support,
assessment and evaluation.

Assign administrative liaison to local school(s).

STEP 3 ASSIGN LOCAL SCHOOL COORDINATOR.

Designate a person responsible for coordination and establish responsibilities.

STEP 4 ANALYZE CURRENT OFFERINGS.

Review required and elective offerings with similar curriculum content.

Determine which offerings have a direct correlation in terms of content, such as Career Development.

Establish general guidelines for implementation model based on current offerings, staffing, facility availability, and district-level decisions.

STEP 5 IDENTIFY TEACHING STAFF.

Select staff who are interested in teaching personal finance and economics.

Utilize staff with certification endorsements in business education, home economics, mathematics or social studies, when possible.

STEP 6 DEVELOP CURRICULUM DESIGN.

Write planned course statements, including course goals which are based on program goals.

Establish implementation model, including the grade level(s) at which it will be offered.

Determine performance requirements, activities and resources for the program.

Review the basic design to assure that individual student needs, interests and abilities are considered.

Develop options for students with special needs, including identifying materials and resources for independent study or research, and for bilingual students.

STEP 7 PROVIDE STAFF INSERVICE AND PROFESSIONAL GROWTH OPPORTUNITIES.

Establish a separate budget, including funds for professional growth opportunities, if possible.

Identify individual staff needs and interests through staff inservice.

Determine what inservice opportunities are already available.

Provide staff inservice and coordination opportunities.

Establish a procedure for training new staff on an annual basis.

STEP 8 DEVELOP EVALUATION PROCEDURES.

Determine means for assessing individual student progress.

*Experience has shown that it is preferable for districts to develop separate sets of program goals for personal finance and economics education.

Establish evaluation procedures for instruction, including analysis of curriculum development by staff on an annual basis.

STEP 9 IMPLEMENT INSTRUCTIONAL OFFERINGS.

Establish timeline for implementation or revision.

Coordinate implementation plans with the review and acquisition of resources.

STEP 10 ESTABLISH RE-EVALUATION AND REVISION PROCEDURES.

Determine timeline and cycle for review and evaluation.

Coordinate re-evaluation and revision of design with other associated curriculum areas and in light of staff work load assignments.

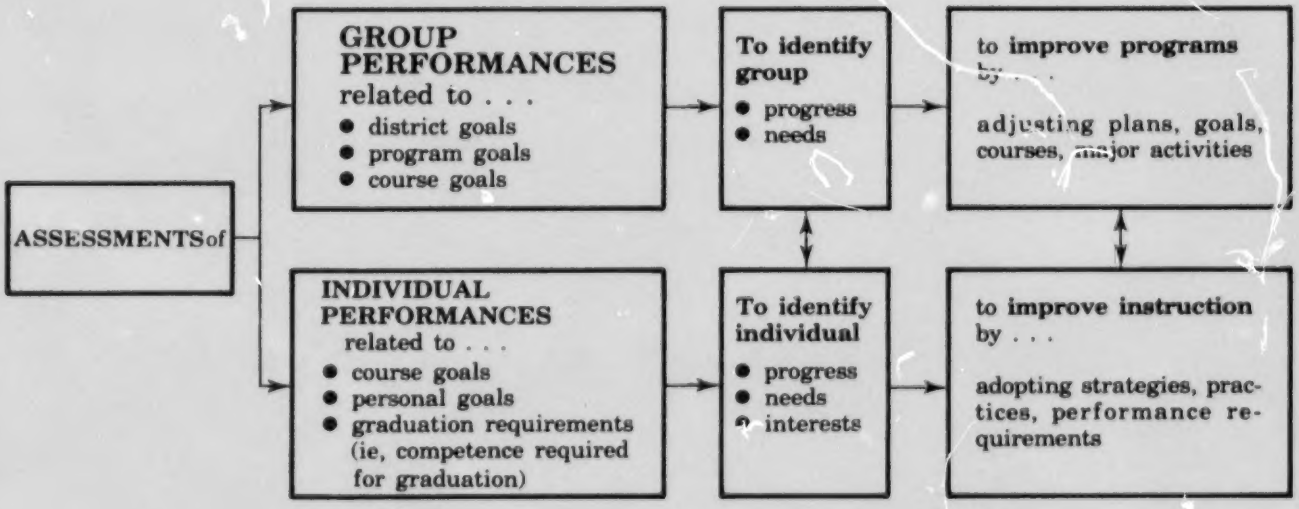
Review instructional materials on a regularly-scheduled basis.

assessment

Assessment is essential to sound instructional planning. Once instructional plans are implemented, the teacher needs to determine whether students are attaining desired outcomes, and whether instruction in personal finance is helping them to reach those outcomes.

Assessment activities involve both group and individual approaches. Measurement of group performance helps determine the course of study; measurement of individual student performance helps teachers plan teaching strategies. The interrelationship is shown below.

ASSESSMENT OF GROUP AND INDIVIDUAL PERFORMANCE


ASSESSMENTS of
GROUP PERFORMANCES related to . . .
• district goals
• program goals
• course goals
INDIVIDUAL PERFORMANCES related to . . .
• course goals
• personal goals
• graduation requirements (ie, competence required for graduation)
To identify group
• progress
• needs
To identify individual
• progress
• needs
• interests
to improve programs by . . .
adjusting plans, goals, courses, major activities
to improve instruction by . . .
adopting strategies, practices, performance requirements

Under Goal-Based Planning, page 2 of this guide, goals were described as learning outcomes. Assessment should determine:

> The extent to which students are attaining the outcomes the community and its schools have designated (district goal).
>
> The extent to which students are attaining the outcomes teachers and curriculum planners have designated for the curriculum (program goal).
>
> The extent to which students are attaining the outcomes teachers have designated for a course, such as Personal Finance I (course goal).

Furthermore, assessment of personal goals helps determine the extent to which the student is attaining those outcomes designated as of greatest personal importance, need, or interest. Identification of learning strengths and weaknesses in a student's performance helps determine factors which enhance or inhibit attainment of desired outcomes.

Before assessment activities are conducted, clear goals and indicators describing student performance which can be accepted are necessary. Such statements guide assessment activities toward producing information that is useful in making curriculum decisions.

employment and income

1.1 Obtaining a Job

1.2 Meeting Responsibilities for Job Success

1.3 Employee Organizations

1.4 Employment Laws - Federal and State

employment and income

1.1 Obtaining a Job

FIRST LEVEL

STUDENTS WILL KNOW FACTORS WHICH INFLUENCE OPPORTUNITIES FOR EMPLOYMENT AND INCOME.

- List several factors which affect employment opportunities and the potential for earning income.
- List sources of information about job opportunities and job requirements.
- Describe grooming practices and dress standards appropriate for a number of types of job interviews.

STUDENTS WILL COMPREHEND HOW VARIOUS FACTORS INFLUENCE OPPORTUNITIES FOR EMPLOYMENT AND INCOME.

- Explain factors affecting employability and income opportunities.
- Give examples of sources of information for specific jobs.

Have students brainstorm factors affecting employment opportunities; identify community resource people for students to interview regarding the importance of such factors. Next, invite resource people to class to discuss job opportunities and the services provided by such organizations as the state employment office, private employment agencies, youth opportunity centers. As a class, discuss other ways jobs can be found.

Divide the class into groups for the purpose of establishing mock employment agencies. Have each group select three or more occupations and compile information on: potential earning power, the skills and training required, anticipated working conditions, and where jobs can be found. Next, ask each student to research and list aptitudes, skills and personal traits necessary for a specific job of a personal choice.

As a follow-up, invite a panel of local business people to class to discuss application forms, resumés and letters of application, on-the-job dress requirements, interview and testing procedures.

SECOND LEVEL

*STUDENTS WILL BE ABLE TO APPLY VARIOUS JOB SEARCH TECHNIQUES AND APPLICATION TECHNIQUES TO SPECIFIC SITUATIONS.

- Use local sources to determine employment potential in specific situations.
- Write a letter of application.
- Complete an application form.
- Predict outcomes of several job interviews.

STUDENTS WILL BE ABLE TO ANALYZE THEIR OWN POTENTIAL FOR EMPLOYMENT.

- Relate how interests, abilities, training and experience influence employability in specific situations.
- Select several careers which reflect personal interests and abilities.

Have students review local newspaper "help wanted" listings and talk with people in the community about the potential for employment locally; then ask each student to prepare a list of potential jobs and investigate the skills and training required for those of interest personally.

Ask each student to prepare a list of five questions

which a potential employer might ask a job applicant and then determine how best to provide such information through letters of application, resumés, interviews, or recommendations.

Using a transparency, demonstrate for students how to complete an application form correctly. Have students complete application forms; comment or make needed corrections on an individual basis.

Discuss the elements of a good letter of application. Distribute copies of a sample letter and discuss as a class. Have students write their own letters of application.

Show students a film about interviews and then have them simulate various interview situations. Following each, discuss whether the applicant is likely to receive the job. Point out both positive and negative aspects of each interview. Have students repeat interviews, including as many improvements as possible.

Using a Needle-Sort of the Career Information System (CIS), have students identify and list individual interests and skills and job categories related to such interests and skills. From the list, have students select several careers to explore in more detail.

THIRD LEVEL

STUDENTS WILL BE ABLE TO PROPOSE WAYS TO MEET CAREER GOALS.

- Design a plan for meeting career goals.
- Summarize the importance of factors which affect the selection of careers in specific situations.

STUDENTS WILL BE ABLE TO JUDGE THE ADEQUACY OF JOBS IN TERMS OF FULFILLING LONG-TERM CAREER GOALS.

- Compare the potential of several occupations for reaching personal career goals.
- Interpret the effect of training and experience on long-term career goals.

Have each student select a successful person in history with a job of interest to the student and write a report based on the following questions:

What career goals might this person have had?

How would such goals relate to your career goals today?

How did this person achieve those goals?

What factors could have influenced this person's choice of careers and how did these factors help this person's achievement?

As a wrap-up, ask each student to outline and describe how one can achieve individual career goals, based on research and the answers to the questions above.

Using earlier research on careers, ask students to decide which jobs meet their criteria. Investigate training opportunities and determine whether such training would help attain long-term career goals.

Factors affecting employment opportunities and income potential
Personal characteristics
- Mental and physical health
- Grooming and personal cleanliness
- Appropriate dress standards

Salable skills, talents, and experiences
- School courses, grades, and attendance
- Hobbies
- Skills
- Summer and part-time job experiences
- Sports and extracurricular activities

Information on jobs
Occupational Outlook Handbook
Current articles about occupational trends
Occupational Outlook Quarterly
Private and public agencies
- State employment offices
- Private employment agencies
- Youth employment services
- Youth corp agencies
- Civil service agencies
- Apprenticeship board
- Career Information System (CIS)

Other
- Newspaper want ads
- School counselors
- Community businesses
- Yellow pages of telephone book
- Friends and relatives
- Professional publications

Job requirements
Dictionary of Occupational Titles
Occupational Outlook Handbook
Career cluster guides
Interviews with employers and employees
Career Information System (CIS)

Personal interview
Punctuality
Courtesy
Good grammar
Perseverance
Self-confidence
Enthusiasm
Proper attitude
Poise
Knowledge of employer and the business
Appropriate dress and grooming
Alert, intelligent responses

Other
- Credit record
- Record of civil actions
- References

Procedures in applying for a job
Prepare personal data sheet (resumé)
Write letters of application
Obtain recommendations
Obtain references
Fill out application forms
Take tests
Obtain social security number and work permit (1.4)

Factors influencing career selection
Interests
Skills and abilities
Present and future goals
Job requirements
Employment opportunities
Job location
Job security
Present and potential income
Risk or adventure
Benefits
Working hours and conditions

FIRST LEVEL

STUDENTS WILL KNOW WHY MEETING EMPLOYER AND EMPLOYEE RESPONSIBILITIES CAN LEAD TO SUCCESS ON THE JOB.

- Identify responsibilities of employers to employees.
- Identify responsibilities of employees to employers and to other employees.

*STUDENTS WILL COMPREHEND HOW EMPLOYERS AND EMPLOYEES MEET ON-THE-JOB RESPONSIBILITIES SUCCESSFULLY.

- Explain how employer and employee attitudes influence success on the job.
- Give examples of reasons for employee promotions.
- Explain most frequent causes of employee termination.

Write, visit, or invite persons from management levels of large companies to: discuss training and education programs for their employees; describe criteria used for employee evaluation (performance ratings); identify the most frequent causes of employee termination; discuss the basis for employee promotions. As a follow-up, discuss performance rating scales for employees who are on probation prior to tenured employment or who are being rated for salary increases. Discuss various criteria used as a basis for promotion (ie, merit, seniority, automatic).

Have students read several newspaper "help wanted" ads and determine to what extent, if any, the responsibilities of the employee or the employer are described. Next, ask each student to select one ad and list the information provided including employer and employee responsibilities and job advancement information which would be useful to know before accepting that particular job.

As a class, prepare a list of on-the-job "Do's" and "Don'ts" and discuss how these factors affect job success and advancement.

SECOND LEVEL

STUDENTS WILL BE ABLE TO APPLY TECHNIQUES FOR MEETING JOB RESPONSIBILITIES ACCORDING TO THE SPECIFIC SITUATION.

- Modify a situation to improve potential for job success and advancement.
- Relate attitudes to job success.

STUDENTS WILL BE ABLE TO ANALYZE INDIVIDUAL RESPONSIBILITIES OF EMPLOYERS AND EMPLOYEES.

- Discriminate between responsibilities of employee and employer in a specific situation.
- Outline ways employees have maintained good working relationships in given situations.

Divide the class into groups to investigate case studies involving comments by employees and employers, or among other employees. Develop a skit illustrating one of these situations, and have the class suggest changes which might improve working relationships. Emphasize the importance of attitudes on the job.

Ask groups of students to review various hypothetical job situations which are unsatisfactory, and list examples of employer and employee responsibilities which are not being met. In addition, have them list other responsibilities which they feel should be observed, as well as how employees can maintain good relationships with other employees.

THIRD LEVEL

STUDENTS WILL BE ABLE TO RELATE HOW VARIOUS FACTORS CONTRIBUTE TO JOB SUCCESS AND ADVANCEMENT.

- Design a plan for upgrading skills for a specific occupation.
- Summarize experience or training needed for employability or job advancement in various situations.

STUDENTS WILL BE ABLE TO JUDGE THE APPROPRIATENESS OF EMPLOYER OR EMPLOYEE ACTIONS.

- Justify the use of specific criteria as the basis for promotion.
- Appraise how employee attitude influences job success in specific situations.

Ask each student to select a job that is affected by rapidly changing technology and research the types of knowledge and skills needed by talking to individuals employed in the occupation. Have the student also determine approaches for upgrading skills and develop a plan for accomplishing such training. The plan should list the training provided by various institutions, including courses, times and locations, as well as other types of experience which would be helpful for entry level employment or advancement in that field.

Review hypothetical situations involving the promotion of one employee over another. As a class, determine reasons why an employee was promoted based on a prepared list of criteria; include a discussion of employee attitude.

Responsibilities of employee
To employer
- Competent work
- Thrifty use of materials
- Punctuality
- Honesty
- Willingness to follow orders
- Pleasant attitude
- Loyalty
- Respect
- Acceptance of criticism
- Dependability
- Initiative
- Interest
- Self evaluation

To other employees
- Teamwork
- Thoughtfulness
- Loyalty
- Honesty
- Cooperation
- Pleasant attitude

Responsibilities of employer
Adequate supervision
Fair personnel policies
Safe working conditions
Open channels of communication
Recognition of achievement
Recognition of civil rights and employee protection laws (1.4)

Techniques for job advancement
Promotions within organizations
Promotions outside organizations (recruitment)
Basis for promotions (performance rating scales)
Methods of pay increase
Additional education/training

FIRST LEVEL

STUDENTS WILL KNOW HOW GROUPS OF EMPLOYEES CAN ORGANIZE TO INFLUENCE EMPLOYMENT CONDITIONS.

- List the major purposes of labor unions.
- List the major purposes of professional organizations.

STUDENTS WILL COMPREHEND THE IMPACT OF EMPLOYEE ORGANIZATIONS AND UNIONS ON THE EMPLOYEE.

- Explain the purposes and expectations of a union shop.
- Give examples of services and benefits provided by professional organizations.

Invite union officials to class to discuss the purposes and expectations of a typical union shop; invite members of professional organizations to discuss services and benefits of professional organizations. After the presentations, encourage questions and answers about the functions of these organizations. As a follow-up, have students read about the development of union shops in the United States and discuss the original purposes for which each was established. Have students interview union members to ask whether union shops have the same purposes today.

SECOND LEVEL

STUDENTS WILL BE ABLE TO APPLY KNOWLEDGE OF UNIONS AND PROFESSIONAL ORGANIZATIONS TO VARIOUS EMPLOYMENT SITUATIONS.

- Show how membership in a union or professional organization influences employability or job advancement.
- Relate the advantages and disadvantages of a union shop to a nonunion shop.

STUDENTS WILL BE ABLE TO ANALYZE THE IMPACT OF UNION OR PROFESSIONAL MEMBERSHIP ON EMPLOYMENT.

- Point out the effect of the union movement on employee conditions in specific situations.
- Point out how professional organizations have influenced professional standards.

Divide the class into groups, with each group representing a specific occupation. Ask those groups whose occupations are represented by unions to investigate the development of the union movement generally and of the specific union that represents the occupation, the pros and cons of unions and the specific union, the wage scales and fringe benefits of union and nonunion occupations, jobs available to teenagers which involve unions and a comparison of monthly dues among such unions.

Have groups whose occupations are represented by professional organizations investigate the advantages and disadvantages of such organizations, the number and types of professional organizations available in the community, and membership requirements according to occupation. As a class, determine those characteristics which unions and professional organizations hold in common as well as those which are unique to each.

THIRD LEVEL

STUDENTS WILL BE ABLE TO RELATE KNOWLEDGE OF UNIONS AND PROFESSIONAL ORGANIZATIONS TO PERSONAL CAREER DECISIONS.

- Explain how union membership and nonmembership could affect employees in specific occupations.
- Summarize the economic and noneconomic effects of union and professional organization membership in specific situations.

STUDENTS WILL BE ABLE TO JUDGE PERSONALLY THE VALUE OF UNION AND PROFESSIONAL ORGANIZATION MEMBERSHIP.

- Appraise reasons for membership and nonmembership in specific situations.
- Support a personal decision regarding union or professional organization membership.

Utilizing previous research on general characteristics of unions and professional organizations, have each student select a specific union or organization for research. Through investigation, including reading

and interviews, determine the specific economic and noneconomic benefits, membership benefits, and why membership, if optional, is of benefit to the individual employee.

Have students research employee conditions prior to the union movement and the growth of professional organizations. Speculate what employee conditions, including salaries and benefits, would be like at the present time without the involvement of unions and organizations. Ask groups of students to select issues related to working conditions and trace the role of unions and professional organizations historically in bringing about improved working conditions. Include a chronological sequence of events leading to working conditions as they exist currently.

Unions

- Purposes
  - Act as collective bargaining agents for employees
    - Wages for regular work and overtime
    - Hours of work
    - Requirements for employment
    - Pensions
    - Health, safety, and working conditions
    - Method of hiring and firing
    - Cases involving discharge
    - Methods of settling disputes
  - Provide job placement services
  - Enforce labor agreements
  - Support legislation affecting worker

Professional organizations

- Purposes
  - Establish and maintain professional standards
  - Support legislation affecting the profession
  - Encourage individual growth and advancement
  - Improve working conditions and income
  - Provide pension, retirement, and supportive benefits
  - Keep membership up to date on research and technology
  - Negotiate with employer on terms of employment (restricted)

FIRST LEVEL

STUDENTS WILL KNOW WHICH FEDERAL AND STATE LAWS AND REGULATIONS PROTECT EMPLOYERS AND EMPLOYEES.

- List major employment laws and regulations.
- Match laws with agencies responsible for administering each.
- Describe employment laws or regulations which affect minors and their employers.

*STUDENTS WILL COMPREHEND THE EFFECTS OF EMPLOYMENT LAWS AND REGULATIONS ON EMPLOYERS AND EMPLOYEES.

- Explain how employment laws protect the employee.
- Give examples of laws or regulations which affect minors or their employers.
- Explain why laws differ, depending on the occupation.

Have students answer the following questions:

Why are there laws for protecting employees?

Why are laws different for certain jobs?

Why do laws for employees who are minors differ from laws for employees who are adults?

Why do laws for 14- and 15-year-old employees differ from laws for 16- and 17-year-olds?

Invite representatives from the local Wage and Hour Division to class to discuss: how to obtain a work permit, when a work permit is required, what types of jobs are not regulated, what jobs are permissible for employees of different ages, the work hours for employees of different ages, and the jobs which employees under 18 years of age are prohibited from holding.

Develop a list on the board of major federal and state laws and regulations affecting employment. Have students use the telephone book and interview agency or business representatives to determine which agencies administer each law or regulation.

Invite an employer to class to discuss the laws and regulations under which employers must work and the agency that is responsible for administering each.

SECOND LEVEL

STUDENTS WILL BE ABLE TO APPLY EMPLOYMENT LAWS AND REGULATIONS TO SPECIFIC SITUATIONS.

- Show how laws differ according to age group or job.
- Relate current laws affecting minors to specific job situations.
- Write to an agency regarding a potential violation of an employment law or regulation.

STUDENTS WILL BE ABLE TO ANALYZE HOW LEGISLATION HAS AFFECTED SPECIFIC EMPLOYMENT CONDITIONS.

- Illustrate how employment legislation related to minors differs from legislation for adults.
- Identify how employment conditions have changed as a result of federal and state legislation.

Have students review current federal and state agency publications dealing with the administration of various laws or regulations, such as the "Employment of Minors" pamphlet from the Oregon Bureau of Labor and Industries. Determine the status of current laws and regulations which affect employees who are minors. As a class, discuss differences among laws and regulations for various workers according to age and sex.

Have students investigate specific laws or regulations which affect employees who are minors in occupations in which they are interested. Determine whether or not these laws or restrictions are based on health and safety concerns of young employees. Read about the working conditions of young employees in the early 1900's and discuss whether these conditions have been affected by legislation.

Using a variety of occupations as examples, have

students identify special regulations or restrictions for employees who are minors which are not imposed on other workers. Determine whether other classifications of workers, such as women, have special protection through legislation. As a class, discuss the advantages and disadvantages of special legislation.

Invite an employer to class to explain how laws and regulations affect the employment of minors in certain occupations. Discuss whether these laws benefit young employees wishing to enter a specific occupation.

Using a case situation, write hypothetical letters to agencies identifying potential violations of employment laws or regulations and document complaints with specific data and evidence. Read letters in class and determine what action might be taken by agencies and whether employers would be involved. Discuss the advantages of resolving problems with an employer prior to filing a complaint.

THIRD LEVEL

STUDENTS WILL BE ABLE TO RELATE THE ECONOMIC AND NONECONOMIC EFFECTS OF EMPLOYMENT LAWS AND REGULATIONS ON EMPLOYERS AND EMPLOYEES.

- Summarize the potential consequences of rescinding all employment legislation.
- Explain economic implications of protective legislation for employees and employers.

STUDENTS WILL BE ABLE TO JUDGE THE ADEQUACY OF EMPLOYMENT LAWS AND REGULATIONS IN PROTECTING EMPLOYERS AND EMPLOYEES.

- Justify special protection employees receive according to age, sex or occupation.
- Appraise the development of legislation protecting the employee in the United States.

Divide the class into research groups and have each group choose one major federal law designed to protect employees and study the background issues which led to the enactment of this law. Identify and classify the major provisions of the law according to: benefits, including health and safety, economic security, or employment security. Either support the legislation as meeting employee needs today based on review of provisions or rewrite the legislation so that it meets current employee needs. As a follow-up, have each group develop a discussion paper on the potential impact of rescinding all employment legislation. Include opinions as to what might happen with specific occupations such as educators or mine workers, as well as an overview of the total effect on employment in the United States.

Invite to class a panel of employees representing groups who receive special protection through legislation to discuss the reasons for such legislation. Have students ask questions about how the laws affect such "special" groups and other employees.

For students interested in self-employment occupations, have them research the licensing and regulations required. Based on this study, ask students to choose whether they wish to be self-employed and defend their position by showing that they have investigated the field.

Laws affecting workers

Major federal laws protecting workers/administering agencies
- National Labor Relations Act (Wagner Act)—U S Department of Labor
- Fair Labor Standards Act of 1938 (amended 1966, 1972 and 1974) Wage and Hour and Public Contracts Divisions—U S Department of Labor
- Taft-Hartley Act—U S Department of Labor
- Social Security Act—U S Department of Health and Human Services
- Williams-Steiger Occupational Safety and Health Act of 1970 (OSHA)—Department of Labor

Major state laws protecting workers/administering agencies
- Oregon Safe Employment Act—Workers' Compensation Board, Accident Prevention Division
- Workers' Compensation Law—Workers' Compensation Board
- Employment Division Law—Oregon Employment Division, Oregon Department of Human Resources
- Child Labor Standards Act—Wage and House Division, Bureau of Labor and Industries

Major laws or regulations affecting employment of minors*

Covers such items as
- Minimum wages and hours of work
- Work permits and Social Security numbers
- Minimum age limits
  - Jobs which 14- and 15-year-old workers can do
  - Jobs which 16- and 17-year-old workers can do
- Insurance requirements
- Safety and health requirements
- Prohibited hazardous occupations
- Training agreements and plans
- Legal deductions from paychecks

*Both federal and state regulations may cover many of the same items; in such cases, the more restrictive law or regulation will prevail.

money management

2.1 Financial Security and Employment

2.2 Financial Planning

2.3 Banking Services and Financial Records

2.4 Savings

2.5 Investments

2.6 Insurance

2.7 Legal Documents

2.8 Taxation

money management

2.1 Financial Security and Employment

FIRST LEVEL

STUDENTS WILL KNOW THE TYPES OF FINANCIAL BENEFITS AND PROTECTION MADE AVAILABLE THROUGH EMPLOYMENT.

- List various types of payroll deductions and employment benefits.
- Name types of income loss which can be protected by employment benefits.

STUDENTS WILL COMPREHEND THE WAYS EMPLOYMENT CAN PROVIDE FINANCIAL SECURITY.

- Give examples of types of payroll deductions and employment benefits.
- Summarize the effects of employment on financial security.

Review sample paycheck stubs for: gross pay, take-home pay, involuntary deductions, voluntary deductions (numerous options). Next, discuss the types of protection provided through employment to protect the employee financially.

Use the Internal Revenue Service wage deduction chart to explain withholding taxes. (2.8) Invite a social security representative to class to discuss: costs to the employee, benefits to minor dependents, obtaining a social security number, how to check personal accounts.

As a follow-up, have students talk to family and friends about "fringe benefits" provided by employers.

Have the class discuss financial problems and protection available to the employee through employment and individual responsibilities for financial security.

SECOND LEVEL

*STUDENTS WILL BE ABLE TO PLAN FOR FINANCIAL SECURITY IN LIGHT OF BENEFITS PROVIDED THROUGH EMPLOYMENT.

- Compute payroll deductions for specific situations.
- Modify a budget to allow for protection from financial problems in specific situations.
- Show how financial protection varies according to employment benefits.

STUDENTS WILL BE ABLE TO ANALYZE FINANCIAL SECURITY IN SPECIFIC EMPLOYMENT SITUATIONS.

- Illustrate how various employment benefits provide financial security.
- Point out financial protection available to an employee.

Using various case studies involving loss of income due to death, illness, disability or unemployment, have students investigate the types of protection provided through employment. Discuss the potential financial effects when the individual or family does not provide for additional protection.

Using various employment and income situations, have students plan individual and family budgets which provide for: loss of income for three months, a change in take-home pay, an inflation rate of 10 percent with no salary increase.

Review changes in employee social security contributions for the past two years and discuss the effect on

personal spendable income.

THIRD LEVEL

STUDENTS WILL BE ABLE TO PROPOSE WAYS TO PROVIDE FOR FINANCIAL SECURITY THROUGH EMPLOYMENT BENEFITS AND PAYROLL DEDUCTIONS.

- Design a program to provide protection against loss of income in specific situations.
- Reconstruct a budget to provide for an increase in savings through payroll deductions.

STUDENTS WILL BE ABLE TO JUDGE THE ADEQUACY OF EMPLOYEE BENEFITS AND INCOME PROTECTION.

- Compare income protection to essential and desirable needs in specific situations.
- Appraise the degree to which employee benefits meet personal financial goals.

Have students establish hypothetical family situations with specific financial goals. After researching types of employment and private income protection available, ask each group to prepare a financial protection plan that appears to best meet the situation, present findings to the class and defend the plan.

Have a panel of students debate the pros and cons of the social security system as a form of employee protection.

Types of payroll deductions and employee benefits

Deductions
- Income taxes
- Social security taxes
- Insurance premiums
- Union dues
- Charity contributions
- Credit union
- Savings program
- Retirement
- State Accident Industrial Fund or private carrier

Benefits
- Salary (gross, net)
- Profit sharing
- Paid vacation
- Discounts
- Sick pay
- Leave of absence
- Holidays
- Overtime pay
- Per diem and travel reimbursement
- Severance pay
- Insurance plans
- Salary incentives
- Retirement programs
- Workers' Compensation or private insurance

Implications for financial protection

Protecting income loss from illness
- Group health insurance
- Employee savings plans
- Paid sick leave

Unemployment
- Wage guarantees
- Severance pay
- Employee savings plans
- Supplementary unemployment benefits

Retirement
- Pension
- Severance pay
- Deferred compensation
- Employee savings plans

Death of employee
- Group life insurance
- Group accidental death and dismemberment insurance
- Survivors pension
- Deferred profit sharing
- Employee savings plans

Disability
- Group loss of income insurance
- Deferred compensation
- Paid sick leave or disability pay
- Pension
- Severance pay
- Employee savings plans

FIRST LEVEL

STUDENTS WILL KNOW BASIC PRINCIPLES OF FINANCIAL PLANNING.

- Identify reasons for financial planning.
- List steps in planning a budget.
- Describe ways financial planning helps to budget resources.

STUDENTS WILL COMPREHEND HOW FINANCIAL PLANNING CONTRIBUTES TO FINANCIAL SECURITY.

- Give examples of how financial planning helps individuals and families in specific situations.
- Explain the steps involved in planning a budget.
- Distinguish between fixed and flexible expenses.

Develop a list on the board of possible sources of income, including work, investments, insurance, and various retirement plans. Discuss financial planning and what it includes. As a follow-up, assign a committee to study and report on different ways to organize resources.

Invite a financial counselor from a bank, credit union, social service agency, etc, to speak to the class about the problems of individuals who fail to establish plans for managing their money. Discuss family budgeting problems, examples of inadequate money management (include several income levels) and possible consequences of such major changes in the family as divorce. Have students tape interviews with people regarding their approaches to budgeting; include a young married couple, middle-aged couple with children, and a senior citizen. Outline the common steps used in budget planning, noting fixed and flexible expenses.

Discuss how other economic units, such as local, state and federal governments, plan budgets; compare with individual and family budget planning.

SECOND LEVEL

*STUDENTS WILL BE ABLE TO APPLY BASIC PRINCIPLES OF FINANCIAL PLANNING TO PERSONAL INCOME SITUATIONS.

- Predict the effects of financial planning on specific situations.
- Prepare budgets for various income levels.

STUDENTS WILL BE ABLE TO ANALYZE HOW FINANCIAL PLANNING PROVIDES FOR ECONOMIC SECURITY.

- Point out ways in which financial planning helps individuals and families in various situations.
- Relate how financial planning provides for economic security generally.

After analyzing the steps involved in budgeting, have students determine the adjustments which might be required in a family budget if the following situations occurred: an offspring enters college; family income increases by one-third; the family buys a second car; the family moves to the suburbs; an aged parent moves in with the family; utility or gasoline costs double; father or mother is unemployed (2.1); father or mother dies or is disabled. Follow with a discussion summarizing the benefits of planned spending.

Have students develop and keep a budget for one month, based on their present incomes. As a follow-up, ask students to interview various financial planning experts regarding the benefits of financial planning to individuals and families, and how it provides for financial stability. Compile the information into a list of the pros and cons of budgeting.

THIRD LEVEL

STUDENTS WILL BE ABLE TO FORMULATE A FINANCIAL PLAN TO MEET A VARIETY OF SITUATIONS.

- Create a financial plan that provides for increased expenditures in selected situations.
- Reorganize budgeting steps and procedures to accommodate specific situations.

STUDENTS WILL BE ABLE TO JUDGE THE IMPACT OF FINANCIAL PLANNING ON MONEY MANAGEMENT AND ECONOMIC SECURITY.

- Justify the need for financial planning in given situations.

- Compare the effects of using a budget as opposed to not using a budget in given situations.

Ask each student to write a story about how they think some figure in history, such as George Washington or Benjamin Franklin, might have managed finances. Have students support their stories based on reading about the individual's habits and lifestyle, and the economic needs and wants of the period.

With various hypothetical family situations, have students estimate the effect of financial planning or lack of planning, including the effects on individual family members and the community.

Using case studies depicting a variety of income levels and indebtedness situations, have students prepare several budgets which reflect financial goals and budgeting techniques. As a class select one as the most logical and appropriate, and have students write a paper to defend the choice, describing the benefits or disadvantages this budget plan might have.

Reasons for financial planning
Helps individuals and families
- Evaluate the use of money
- Get maximum satisfaction from income
- Prevent wasteful and unplanned spending
- Maintain personal credit worthiness
- Organize resources (human, material)
- Reduce frustration and money worries
- Understand the ways in which money is saved, spent and borrowed
- Prepare for emergency situations
- Gain financial security and independence
- Provide a hedge against inflation
- Evaluate tax consequences (2.8)

Steps in planning a budget
- Determine gross and net pay
- Determine goals, needs and wants (4.1)
- Estimate total income (fixed and variable)
- Analyze past expenditures
- List fixed expenses
- Estimate flexible expenses
- Plan for savings and emergencies
- Allocate discretionary resources
- Evaluate financial plan regularly
- Seek assistance in financial planning, if necessary

FIRST LEVEL

STUDENTS WILL KNOW TYPES OF BANKING SERVICES AND RECORDKEEPING PLANS AVAILABLE WHICH FACILITATE FINANCIAL PLANNING.

- List various types of banking services and financial recordkeeping systems.
- Identify guidelines for using banking services and financial records.

STUDENTS WILL COMPREHEND THE EFFECTS OF BANKING SERVICES AND RECORDKEEPING ON PERSONAL MONEY MANAGEMENT.

- Explain how keeping financial records and using banking services can aid in financial planning.
- Give examples of banking services and financial recordkeeping systems.

As a class, construct a bulletin board display depicting various types of banking services. Ask students to read about electronic funds transfer systems and identify the types available in the immediate area, including possible services such as bill checks, automatic payroll deductions, debit cards.*

Discuss business aspects of family living and list on the board examples of valuable papers which families should keep. Next to each example, list ideas about where each might be stored. Next, utilize transparencies to illustrate various types of household record systems; as a class, discuss the reasons for keeping such records.

SECOND LEVEL

*STUDENTS WILL BE ABLE TO APPLY BANKING SERVICES AND RECORDKEEPING TECHNIQUES TO THEIR OWN FINANCIAL PLANNING.

- Plan a personal recordkeeping system.
- Modify spending plans based on a review of financial records.
- Write a check, balance a checkbook, and reconcile a bank statement.

STUDENTS WILL BE ABLE TO ANALYZE THE EFFECTS OF BANKING SERVICES AND RECORDKEEPING ON FINANCIAL PLANNING.

- Point out the importance of banking services to personal money management.
- Determine spending patterns based on a review of financial records.
- Identify the types of banking services available to meet various needs.

Have each student complete a project of personal choice: net worth computation for a family in a given situation, record of personal expenditures and income for two weeks as a basis for future planning, a classroom or home inventory, a home business center.

Ask students to utilize a current income tax booklet to determine allowable income tax deductions. As a class, discuss deductions and develop a system for keeping track of deductions during the year; discuss also what proof is necessary should tax returns be audited.

Demonstrate for the class the correct way to write a check. Use a transparency to illustrate how an amount on a check can be changed and what can be done to prevent this. Then have students practice writing checks, keeping records and reconciling accounts in simulated checkbooks. As a class, discuss the distinction between overdrawing a checking account due to carelessness or error and overdrawing with intent to defraud. Point out the effects of overdrafts on an individual's credit record.

THIRD LEVEL

STUDENTS WILL BE ABLE TO PREPARE GUIDELINES FOR THE USE OF BANKING SERVICES AND FINANCIAL RECORDKEEPING.

- Compile a list of banking services available

*A card which ultimately will be tied to retail outlets so that customer purchases can automatically be "debited" to the individual checking account.

currently and the advantages and disadvantages of each service in specific situations.

- Design a plan for maintaining personal records for specific situations and needs.
- Revise personal budgets based on a review of financial records and expenditures.

STUDENTS WILL BE ABLE TO JUDGE THE ADEQUACY OF BANKING SERVICES AND RECORDKEEPING TECHNIQUES FOR SPECIFIC SITUATIONS.

- Compare the costs and convenience of banking services in specific situations.
- Justify the use of one type of recordkeeping system over another in specific situations.

Invite a local banker to class to discuss current and anticipated services available through electronic transfer systems in the community. Have each student write a paper describing the implications for financial planning and recordkeeping, as well as implications for personal privacy.

Have students investigate various types of banking services available in the local community, including costs, services and limitations of each. Using a variety of hypothetical situations, select the banking services which best meet individual needs and situations and defend the selection.

Review several budgets and recordkeeping systems and determine the potential strengths and weaknesses of each. Outline the possible financial goals for a family that might use each budget method or recordkeeping system. Determine whether some situations might imply that families have not established financial goals.

Types and importance of banking services and financial records

Banking services
- Checking accounts
- Bank statements
- Savings accounts
- Safety deposit boxes/safe keeping
- Foreign exchange
- Loans
- Financial advice to families
- Estate planning and trusts
- Credit cards/debit cards
- Payment services
- Investment services (2.5)
- Electronic funds transfer

Financial records
- Accounts of earning and spending
- Financial statement (net worth)
- Household inventory
- Investment records
- Tax record (2.8) (eg, medical and drug records, home purchase and improvement records)

Importance—helps
- Provide proof of payment
- Evaluate spending patterns
- Provide information for income tax records
- Analyze financial situation
- Provide a basis for determining future purchases
- Provide a basis for developing and maintaining a budget
- Provide proof of loss in case of fire or theft

Guidelines for using banking services and financial records

Banking services
- Checking accounts
  - Write checks properly
  - Keep accurate record of checks
  - Maintain up-to-date records
  - Consider balance requirements
  - Reconcile account monthly
  - Compare types of checking accounts and costs
- Savings accounts
  - Compare types of accounts and interest rates
  - Understand method of interest payment
  - Know time period requirements, if any
- Safety deposit boxes
  - Identify valuables which need safe storage
  - Keep a separate record of contents in personal safety deposit box
  - Understand safety deposit book agreement
- Financial records
  - Utilize check records
  - Determine those items necessary for income tax records
  - Develop systems for filing
  - Keep file up to date
  - Check accuracy of records

FIRST LEVEL

STUDENTS WILL KNOW TYPES OF SAVINGS PLANS AVAILABLE AND FACTORS WHICH AFFECT DECISIONS ABOUT SAVINGS.

- List factors involved in making decisions about savings.
- List types of savings.
- Identify methods of savings available.

STUDENTS WILL BE ABLE TO MAKE SAVINGS DECISIONS.

- Distinguish between short-term and long-term savings goals.
- Defend the method and type of savings plan selected in specific situations.
- Give examples of types of indirect savings which meet personal needs in specific situations.

Develop a list of short- and long-term goals for teenagers, young adults, newly married couples, growing families, and retired people. Determine how much would have to be saved per week to achieve one or more of these goals. Next, conduct a classroom discussion around such questions as: How do attitudes influence the habit of saving? What factors influence the amount an individual or family may save? Is it possible for a very low-income family to save?

Have students read about different types of savings and discuss the advantages and disadvantages of each. Then, ask students to identify direct and indirect methods of saving, and construct a bulletin board display depicting examples of each.

SECOND LEVEL

*STUDENTS WILL BE ABLE TO APPLY DECISIONS ABOUT SAVINGS TO FINANCIAL PLANNING.

- Predict the factors which influence savings decisions in specific situations.
- Prepare savings plans for different situations.

STUDENTS WILL BE ABLE TO EVALUATE THE ADEQUACY OF SAVINGS DECISIONS.

- Point out the impact of various savings decisions on financial stability.
- Select a method and type of savings that meets needs in specific situations.

Using hypothetical case studies, have groups of students research the amount of money a family could save in a given length of time by limiting or recycling scarce resources. As a follow-up, have students compute the dollar amount of indirect savings from riding the bus to school for one semester as opposed to driving a car.

Compare the earnings from a $50 savings bond and a $50 savings account for one year. Refigure for various lengths of time and discuss the differences between both types of savings. Then, invite guest speakers to class to talk about the types of savings institutions and savings plans available. Discuss: Why is safety put first and earnings second? What is meant by liquidity? In what circumstances might liquidity be important? How does purpose affect the choice of a savings plan? Based on personal goals and needs, have students choose the most appropriate type and method of savings.

THIRD LEVEL

STUDENTS WILL BE ABLE TO INTEGRATE SAVINGS DECISIONS INTO FINANCIAL PLANNING.

- Explain how savings decisions meet spending plans.
- Design a savings plan that meets both immediate and long-term needs.
- Reconstruct a personal budget to reflect savings decisions.

STUDENTS WILL BE ABLE TO JUDGE THE VALUE OF SAVINGS TOWARD MEETING PRESENT AND FUTURE FINANCIAL NEEDS.

- Appraise the effects of utilizing savings plans in specific situations.
- Justify the selection of one type and method of saving in terms of a specific situation.
- Interpret the effects of several factors on savings decisions in selected situations.

As a class, compile a fact sheet for the purpose of comparing or ranking different types of savings plans on the basis of interest paid, services offered, and degree of risk involved. Ask students to defend the selection of one savings plan over another based on personal goals and needs. Next, support the attractiveness of various savings plans based on economic conditions and tax implications.

Using hypothetical case studies involving various income levels and financial goals, have students select the most appropriate type and method of savings for each. Describe how a specific savings approach would affect each situation, and make budget changes to include such an approach.

Factors affecting savings decisions
- Needs and wants
- Goals (short- and long-term)
- Amount of discretionary income
- Attitudes toward saving
- Compatibility with spending plans
- Safety of principal
- Purpose of savings
- Convenience of method of saving
- Need for liquidity or long-term investment
- Potential for growth, as determined by:
  - Rate of interest
  - Method of compounding
  - Method of determining balance on which interest is paid
  - Length of time invested
  - Type of savings
- Economic conditions
- Tax implications (2.8)

Types and methods of savings
- Types
  - Passbook accounts
  - Certificate of deposit (C
  - Government bonds
- Methods
  - Direct (through institutions)
    - Mutual savings banks
    - Commercial banks
    - Savings and loan associations
    - Credit unions
    - U S Government (bonds, treasury bonds)
  - Indirect (through limiting use of resources)
    - Recycling
    - Finding alternatives, such as car pooling

FIRST LEVEL

*STUDENTS WILL KNOW HOW VARIOUS FACTORS INFLUENCE INVESTMENT DECISIONS.

- List several types of investments.
- Identify factors involved in making investment decisions.

STUDENTS WILL COMPREHEND THE FACTORS INVOLVED IN MAKING INVESTMENT DECISIONS.

- Give examples of fixed and variable income investments.
- Give examples of factors affecting investment decisions.
- Summarize the advantages and disadvantages of various types of investments.

As a class, investigate and report on the different types of investment plans and their features, including get-rich-quick schemes. (F.3) Next, have students identify investments of which they are aware and list these on the board. Following a reading assignment, add to the list, and then classify each listing as fixed, variable, or a combination of both.

Discuss reasons for investing, including nonmonetary gain such as travel. Then assign students in groups to research specific types of investments and report the advantages and disadvantages of such investments to the class. Follow up with a class discussion on various personal and economic considerations when making investment decisions.

SECOND LEVEL

STUDENTS WILL BE ABLE TO APPLY INVESTMENT DECISIONS TO PRESENT AND FUTURE FINANCIAL PLANNING.

- Compute the anticipated rate of return on specific investments.
- Prepare investment plans for specific situations.
- Modify spending plans to include investment decisions.

STUDENTS WILL BE ABLE TO ANALYZE THE EFFECTS OF INVESTMENT DECISIONS ON FUTURE FINANCIAL SECURITY.

- Illustrate how investment plans affect financial stability.
- Select an investment plan to meet specific situations.
- Point out potential problems of various investment plans.

Using various types of investments, have students figure how the amount and regularity of payment or purchase affect the rate of return.

Invite a panel of investment consultants to explain the products and services they represent. Discuss: potential risk and anticipated return from various types of investments, reasons for investing, limitations or restrictions on various types of investments. Based on personal goals, needs and economic conditions, have students choose the most appropriate type of investment for their present and future situations. Review financial plans to verify that choices are appropriate.

THIRD LEVEL

STUDENTS WILL BE ABLE TO FORMULATE INVESTMENT PLANS WHICH MEET PRESENT AND FUTURE FINANCIAL NEEDS.

- Devise an investment plan that utilizes both fixed and variable income investments.
- Modify an investment decision based on influencing factors in specific situations.

STUDENTS WILL BE ABLE TO JUDGE THE ADEQUACY OF INVESTMENT DECISIONS FOR PRESENT AND FUTURE FINANCIAL PLANNING.

- Interpret the consequences of a number of investment plans.
- Compare a number of investment plans in terms of specific criteria.
- Justify the selection of either fixed or variable investments for given situations.

Have students review inflationary trends for the past three years and project the anticipated inflationary rate for the next ten years. Based on projected fig-

ures, ask students to explore various types of investments, including collectibles and commodities, and plan investment portfolios to meet this projection.

Review various investment returns in terms of tax implications and varying income levels. Ask students to select the type of investment that provides the greatest after-tax return for each situation and define the selection in terms of the potential disadvantages of other types of investments.

Types of investments
- Fixed income investments
  - Credit union shares
  - Notes and debentures
  - Certificates of deposit (CD)
  - Corporate and municipal bonds, includes state bonds (tax free, taxable)
  - Endowment insurance
  - U S Savings Bonds (Series EE and H)
  - Certain types of tax sheltered annuities (TSA), Keogh plans, individual retirement annuities (IRA)
- Variable income investments
  - Common stocks
  - Business (single proprietorship, partnership, corporation or "co-op")
  - Real estate (rentals or mortgages)
  - Commodities (eg, gold, silver, diamonds)
  - Collectibles
  - Certain types of tax sheltered annuities (TSA), Keogh plans, individual retirement annuities (IRA)
  - Money market instruments

Factors affecting investment decisions
- Needs and wants
- Goals (short- and long-term)
- Amount of discretionary income
- Attitude toward investment
- Compatibility with previously established savings and insurance plans
- Criteria for choosing an investment
  - Safety
  - Price
  - Anticipated rate of return (growth, income)
  - Liquidity
- Economic conditions
- Tax implications (2.8)

FIRST LEVEL

STUDENTS WILL KNOW THE WAYS THAT INSURANCE PROVIDES FOR ECONOMIC PROTECTION.

- Identify types of insurance protection needed.
- List the steps in planning for insurance needs.
- List types of insurance available.
- Identify points to consider when planning insurance programs.

STUDENTS WILL COMPREHEND THE COMPONENTS INVOLVED IN A BALANCED INSURANCE PROGRAM.

- Distinguish which types of auto insurance are required by law and which are not.
- Paraphrase the benefits available through specific types of health, accident and income replacement insurance plans.
- Give examples of permanent and temporary life insurance plans.
- Explain the protection provided by a specific type of home and auto insurance.

Have students compose a humorous skit illustrating all the different risks a person might run into in one day. Which risks might one be insured against? Have the class discuss the concept of insurance and decide the type of insurance which might be best suited for each risk. Discuss considerations in planning for insurance needs and prepare a checklist on the board.

Have a student committee invite an insurance representative to class to discuss different types of life insurance plans, as well as individual and family needs for life insurance. Discuss important points to remember when planning insurance programs.

As a class, discuss the current cost of hospitalization after examining a representative hospital statement for a broken leg, birth of a child, etc. Identify the types of medical insurance provided by various group plans and private carriers.

Discuss various types of auto insurance plans and the coverage provided by each. Determine which are required by Oregon statute and which are at the option of the insured party. Invite an auto insurance agent to class to discuss auto insurance for teenagers. Include the importance of a good driving record and other factors which influence insurance rates.

Discuss various types of home and personal property insurance and identify those which non-homeowners might need.

SECOND LEVEL

STUDENTS WILL BE ABLE TO PLAN FOR INSURANCE NEEDS FOR SPECIFIC SITUATIONS.

- Compute the costs and benefits of specific insurance plans.
- Predict how personal factors affect insurance needs and costs.

*STUDENTS WILL BE ABLE TO ANALYZE HOW SPECIFIC TYPES OF INSURANCE MEET PERSONAL INSURANCE NEEDS.

- Select home and personal property insurance according to specific circumstances.
- Select life insurance according to specific circumstances.
- Select auto insurance according to legal requirements and specific circumstances.
- Outline the costs and benefits offered by several health insurance programs made available through employment.

Prepare a chart showing the major features of various forms of life, health, home and auto insurance and discuss factors which influence rates. Then, utilizing hypothetical case studies depicting a variety of individual and family situations, and economic conditions, plan for the least expensive coverage to meet minimum needs for home, life, auto and health insurance.

Compute the cost of first dollar coverage, deductible and major medical plans and determine which plan is most appropriate and economical, considering protection provided through employment. As a follow-up, have students debate the effects of various personal factors on insurance costs, including health habits, lifestyle, driving record, etc.

THIRD LEVEL

STUDENTS WILL BE ABLE TO FORMULATE INSURANCE PLANS BASED ON PRESENT AND FUTURE NEEDS.

- Design insurance plans for individuals and families in different situations.
- Create several insurance plans to meet similar situations.
- Revise insurance plans to meet changing circumstances.

STUDENTS WILL BE ABLE TO JUDGE THE APPROPRIATENESS OF INSURANCE IN PROVIDING FOR FINANCIAL SECURITY.

- Appraise various types of insurance in terms of specific criteria.
- Justify the selection of one type of insurance over another in specific circumstances.
- Interpret the short- and long-range effects of an insurance plan on financial planning stability.

Invite an insurance representative to class to discuss planning insurance programs for a variety of situations, including a young adult, a growing family and a retired couple. Ask students to plan programs to meet the needs of each situation, showing present and future financial impact of each plan. Write a skit about a family that chose not to buy any voluntary insurance coverage; include not only devastating situations but humorous incidents as well.

Debate the pros and cons of permanent versus term insurance, including comparisons of costs, benefits and cash value.

Simulate a situation where an insurance agent interviews a young couple to determine what insurance plan best suits their specific needs. Have students challenge the agent's choice if it appears that it would be in conflict with the needs identified.

Planning for insurance needs
Cover the greatest and most important risks first
Determine insurance required to provide sufficient protection and equity
Decide type of insurance needed to meet personal needs for casualty and life
Decide on how much should be spent
Seek information from two or more insurance companies before selecting a policy and company
Review policy with agent to understand the contractual agreements (2.7)
Review insurance program periodically, considering changing needs and conditions

Selection of auto insurance
Types
  Collision
  Comprehensive
  Liability
  Personal Injury Protection (PIP)
  Other (towing, theft, glass damage)
Factors affecting insurance costs
  Personal driving record
    Number and type of tickets
    Accident record
    DUI (driving under the influence)
    Driving with expired or suspended license
  Completion of drivers' training (classroom and behind the wheel instruction)
  Model, style and age of car
  Type and amount of coverage
  Age and sex of driver
  Territory
  Regular distance driven
    3 miles or less—pleasure
    3 to 15 miles—10% increase over pleasure
    15 miles—additional cost
  Full- or part-time driver

Selection of health, accident and income replacement
Types of health and accident available
  Health maintenance organizations (HMO)
  Private carriers
Type of income replacement available
  Worker's Compensation
  Private carriers
Factors affecting insurance decisions
  Personal need or choice
    First dollar coverage
    Deductible
    Major medical
  Plans available through employer or the market
  Personal budgeting goals (2.2)
  Insurability factors

Selection of home and personal property
Types of coverage available
  Property
    Home
    Personal property (renter's insurance)
  Perils
    Fire
    Windstorm and hail
    Vandalism
    Burglary
    Smoke
    Riot and civil disorder
    Falling objects
    Other miscellaneous perils
      Water and plumbing damage
      Glass breakage
  Liability
    Bodily injury
    Damage to property of others
    Cost of legal defense
    Medical payments
Factors affecting insurance decisions
  Personal choices: full coverage or deductible
  Requirements of lenders or home mortgage
  Replacement costs of property
  Personal budgeting goals (2.2)

Selection of life insurance
Types available
  Permanent
    Whole life
    Endowment
    Limited payment life
    Paid up
  Term
    Decreasing term
    Level term (annual renewable term, 5-10 year renewable term)
Factors affecting insurance decisions
  Long-range and short-range goals
  Personal budgeting goals (2.2)
  Income needs of family

FIRST LEVEL

STUDENTS WILL KNOW WHAT IS INVOLVED IN VARIOUS TYPES OF CONTRACTUAL AGREEMENTS.

- Describe various types of legal documents.
- List a consumer's financial responsibilities related to contractual agreements.

*STUDENTS WILL COMPREHEND RESPONSIBILITIES OF THE CONSUMER WHEN ENTERING INTO CONTRACTUAL AGREEMENTS.

- Explain the essential elements of a contract.
- Explain the legal implications of contractual agreements.

Prepare a bulletin board display showing common types of legal documents. List elements of contracts and have students develop a list of transactions which they consider to be contractual agreements. Read a sample contract, explain the consumer's legal responsibilities and discuss the accompanying financial responsibilities. Examine an automobile sales contract and discuss: Who actually owns the automobile until it is paid for? What restrictions are put on the car's use by the seller? What happens if payments are not made when due? If the car is repossessed, is there a legal claim by the user for the unpaid balance? (5.5)

SECOND LEVEL

STUDENTS WILL BE ABLE TO APPLY LEGAL ELEMENTS OF CONTRACTUAL AGREEMENTS TO A NUMBER OF TYPES OF CONSUMER TRANSACTIONS.

- Prepare a checklist of consumer responsibilities in contractual agreements.
- Predict the effects of a specific type of lease on both landlord and tenant.

STUDENTS WILL BE ABLE TO ANALYZE LEGAL ISSUES RELATED TO CONSUMER PURCHASING DECISIONS.

- Point out the responsibilities of both buyer and seller in specific situations.
- Identify legal protection provided buyers and sellers in several legal documents.

Have students fill out prepared contract forms. Discuss in class, pointing out protection provided as well as any potential problems. Next, ask students in pairs to write a "plain language contract." Exchange contracts among groups and fill out the contracts. As a class, discuss whether all the essential elements of a contract were included, and identify parts which were unclear or misleading.

Read several landlord/tenant leases and determine the legal effects on both tenant and the landlord. From this information, develop a checklist for signing lease agreements; emphasize the importance of adequate information and protection of all parties involved.

Invite an attorney to class to discuss legal documents, especially circumstances where minors may be held legally competent to enter into binding agreements. Review specific contracts and situations and discuss whether a minor could be held legally competent in each.

Simulate a situation involving a verbal agreement between two parties. Have students write contracts which include their interpretations of the agreement; read several in class and determine if any information was excluded or misinterpreted. Discuss the importance of both the buyer and the seller understanding their rights and responsibilities in any contractual agreement.

THIRD LEVEL

STUDENTS WILL BE ABLE TO PROPOSE WAYS TO WRITE LEGAL DOCUMENTS WHICH ARE MORE EASILY UNDERSTOOD.

- Rewrite several contracts to improve readability.
- Design a format for writing understandable legal documents.

STUDENTS WILL BE ABLE TO JUDGE THE APPROPRIATENESS OF LEGAL DOCUMENTS ACCORDING TO SELECT CRITERIA.

- Appraise the protection provided by several legal documents.

- Justify the selection of one contractual agreement over another.

Have students read several installment contracts and circle phrases or words which are not understood easily or which may be misleading. Rewrite circled phrases using plain English terminology. Exchange revised contracts among students and have them circle any words or phrases which they feel are not understood easily. Next, ask students to collect several sample credit contracts from catalogs and stores; have them study the contracts and circle any parts which they do not understand. Invite a local credit manager to class to explain installment contracts and answer questions. Have students complete sample contracts and write short papers explaining what they have agreed to fulfill in the contract. As a follow-up, have students examine a variety of installment contracts for identical purchases and select the one that provides the most protection to the buyer and that is understood most easily. Have students defend their choices by explaining specific terms in the contract, as well as financial and legal implications to the buyer.

Nature of legal documents
Common types of legal documents
  Contractual agreements
    Retail installment
    Revolving credit
    Mortgage
    Insurance policy (2.6)
    Landlord/tenant lease
    Driver's license
  Other types
    Wills/trusts
    Social security cards
    Work permits (1.4)
    Tax returns (2.8)
    Power of attorney
Elements of contractual agreements
  Mutual assent
  Consideration
    A price paid to bind a promise
    A promise to pay money, goods or services
  Competent parties
    Married persons, emancipated minors who are purchasing essentials, and persons 18 years of age or older are considered legally competent to enter into binding contracts

Consumer responsibilities in contractual agreements
Legal implications
  Understand all clauses and terms
  Keep copy of contract
  Be sure contract is dated correctly
  Be sure all blank spaces are filled in or marked out
  Be sure all provisions agreed upon are written clearly
  Be sure proper disclosure has been made by seller (3.4)
  Be sure all cancellations are made in accordance with the contract
  Perform all obligations as specified
Financial planning (2.2)
  Be sure installment payments can be made for the full term of the contract
  Compare total costs to those of alternative payment plans
  Understand impact on spendable income

FIRST LEVEL

STUDENTS WILL KNOW ABOUT VARIOUS TYPES OF PUBLIC REVENUE AND THE SERVICES WHICH THEY PROVIDE.

- List various types of public revenue.
- Name services financed through public revenue.

*STUDENTS WILL COMPREHEND THE ECONOMIC IMPACT OF TAXATION.

- Explain the impact of public revenue on individuals and families.
- Explain the impact of public revenue on businesses.
- Summarize guidelines for reporting taxes.
- Give examples of various types of taxes.
- Defend the use of public or private funds for specific services.

Make a list of public and private goods on the board and discuss the reasons for each. Determine which goods and services might be provided by public funds and which might be funded by private organizations and business.

Discuss each type of tax levied by federal, state and local government and who pays each type of tax. Have students circle the taxes they or their families pay. Next, ask students to collect newspaper articles about taxes; divide a bulletin board into three sections with the headings: federal, state, local taxes. Pin newspaper clippings in the appropriate section.

As a class, determine the costs for a specific type of expenditure, such as education, and determine how much of the cost is paid by federal, state and local governments. Invite a school district budget officer to class to explain the local school budget.

Review the types of taxes levied in Oregon and answer questions: Is there a law mandating each type of tax? Who pays the tax? Where does the money go? Who collects the tax? Then, have students prepare a bulletin board display of the state budget, showing where money comes from and where it goes. Have students research the taxes on one product such as gas, alcohol or tobacco, and discuss how much of the total cost is for taxes. Have students draw a graph, illustrating the amount of taxes paid by the consumer and where taxes go.

Have students discuss why property values increase and whether an increase in property value automatically means an increase in taxes. Next, have students examine and discuss a hypothetical property tax statement and answer questions: What is the assessed value of the property? Which districts are levying tax on the homeowner? How much is each district levying? What services are provided by the districts? How is the tax computed? When is the tax payment due? What happens if payment is not made when it is due? How much of the tax bill is property tax relief? Who pays for the property tax relief? As a follow-up, have students determine the amount of untaxed property in the county and the types of properties which are not subject to taxation.

Discuss the difference between proportional, regressive and progressive taxes and ask students for their opinion as to whether tax rates should be proportional or whether people with more money should be taxed at a higher rate than those with less. Have students categorize types of taxes under three headings: progressive, regressive, proportional. Determine which is the longer list and which is the shorter list, and what this says about the tax system.

Several bridges were destroyed during a volcanic eruption of Mount St Helens. Have students discuss ways to fund construction of new bridges and which level of government would provide the funds. Discuss whether funding would utilize the "benefits principle" or the "ability-to-pay principle."

SECOND LEVEL

STUDENTS WILL BE ABLE TO APPLY PRINCIPLES OF TAXATION TO VARIOUS INCOME BRACKETS AND POPULATIONS.

- Predict the effects of different types of taxation on specific situations.
- Relate the consequences of increased taxation to spendable income.
- Modify tax liability through use of appropriate special forms.
- Compute taxes using a tax table and other appropriate information.

- Use the appropriate tax form for specific situations.

STUDENTS WILL BE ABLE TO ANALYZE THE INFLUENCE OF PUBLIC REVENUE ON THE AVAILABILITY OF PUBLIC AND PRIVATE GOODS AND SERVICES.

- Point out the types of goods and services which are provided by a single level of government.
- Illustrate the economic effect of public as opposed to private goods and services in specific situations.

Have students compute their own income tax liabilities, considering income, number of exemptions, deductions for medical costs, interest payments and charitable contributions. Compute employer's cost for unemployment, mass transit (if applicable), social security and other taxes in a given situation.

Have students complete their own federal and state income tax forms, using the short form. Ask them to list the types of records which they should save for tax reporting; discuss reasons for saving each. Then, ask students how much of their total incomes are not taxed and what types of items are subtracted from income before figuring taxes.

Ask students to discuss whether property taxes on a $70,000 home are proportional, regressive or progressive for: an elderly couple living on social security income, a young family with a large and growing business income. Next, have students discuss: who actually pays corporation tax on net income earned in Oregon; why government doesn't tax all of the profits on the sale of long-term investments; how a city income tax might affect business in the area.

Have students research a school budget item, and attend a local budget meeting to ask questions and discuss issues. Share findings as a class.

Play the game developed by the Oregon Department of Revenue which distributes play money to students representing two different income levels. Distribute tax bills based on proportional, regressive and progressive taxing methods. Following completion of the game, have students discuss how the tax burden differs for a relatively poor family and for a relatively wealthy family under various systems.

THIRD LEVEL

STUDENTS WILL BE ABLE TO DOCUMENT THE ECONOMIC IMPACT OF TAXATION AND THE PROVISION OF GOVERNMENT SERVICES ON INDIVIDUALS, FAMILIES AND BUSINESSES.

- Design a plan which changes the tax structure in a specific situation.
- Relate the effects of increased income and property taxes on spendable income.
- Describe the effects of increases or decreases in taxation on spendable income in specific situations.

STUDENTS WILL BE ABLE TO JUDGE THE NEED FOR PUBLIC REVENUE TO PROVIDE GOODS AND SERVICES.

- Summarize the effect of providing private services as opposed to public services in selected situations.
- Support the decision for providing public goods in various situations.

Have students simulate a state legislative session or a session in the U S Congress. Assign students to be legislators, taxpayers, and lobbyists representing private industry, all with such special concerns as: a new prison, developing synthetic fuel, heat for the homebound, low-income senior citizens, wildlife habitat, rehabilitation for alcoholics, funds for education, Veterans' loans, low cost loan for a larger lumber mill that is going out of business, increased salaries for state police. Student legislators need to decide which programs to fund, how much to fund, and where to get the funds. Taxpayers and lobbyists present reasons for needing the programs and possible ways to fund the programs through either the public or private sector. Ask all sides to show the effect of reduced or additional taxation on various segments of the public and private sectors.

Have students discuss the following situation. A fire destroyed a small schoolhouse, due to the fact that a neighboring fire district did not respond immediately to the fire because taxpayers in the school district voted against funding fire services. Project present and future solutions for this problem.

Prepare a bulletin board display showing examples of services provided by local property tax dollars; debate alternate ways to provide these services other than through property taxes.

Have students discuss what it would be like to live in Portland if there were no government services. List typical government services provided in a city the size of Eugene and an area with the population of less than 900. Determine which services are the same on both lists and which services differ.

Economic impact of public services on individuals

Types of public revenue
- Federal government
  - Income tax
    - Individual
    - Corporate
  - Selective sales and gross receipts
    - Customs duties
    - Motor fuel
    - Alcoholic beverage
    - Tobacco products
    - Public utility
  - Death and gift
  - Charges and miscellaneous general revenue
    - Postal service
    - Natural resource
    - Housing and urban renewal
    - Water transport and terminals
    - Interest earnings
    - Sale of property
- State government
  - Intergovernmental revenue (from federal)
    - Public welfare
    - Revenue sharing
    - Highway
  - Income tax
    - Individual
    - Corporate
  - Sales and gross receipts
    - General sales
    - Selective sales and gross receipts
      - Motor fuel
      - Alcoholic beverage
      - Tobacco products
      - Public utility
      - Insurance
      - Pari-mutuel
  - Death and gift
  - Motor vehicle license
  - Charges and miscellaneous general revenue
    - Education
    - Hospital
    - National resource
    - Interest earnings
    - Sale of property
- Local governments
  - Intergovernmental revenue
    - From federal
      - Public welfare
      - Education
      - General revenue sharing
      - Housing and urban renewal
    - From state
      - Education
      - Public welfare
      - General local government support
      - Highway
      - Health and hospital
  - Income tax (individual)
  - Sales and gross receipts
    - General sales
    - Selective sales and gross receipts
      - Public utility
  - Property
  - Charges and miscellaneous general revenue
    - Education
    - Hospital
    - Natural resource
    - Local parks and recreation
    - Sewerage
    - Housing and urban renewal
    - Airports
    - Parking facilities
    - Interest earnings
    - Sale of property
    - Special assessments

Types of services financed by public revenue
- Federal government
  - General expenditure
    - Selected federal programs
      - National defense and international relations
      - Postal service
      - Space research and technology
    - Education services
    - Social service and income maintenance
      - Public welfare
      - Hospital
      - Health
    - Transportation
      - Highway
      - Airport
      - Water transport and terminals
    - Public safety
      - Police protection
      - Corrections
    - Environment and housing
      - Natural resources
      - Stabilization of farm prices and income
      - Parks and recreation
      - Housing and urban renewal
    - Governmental administration
    - Interest on general debt
  - Insurance trust expenditure
    - Old age, survivor, disability and health insurance
- State government
  - General expenditure
    - Education
    - Social services and income maintenance
      - Public welfare
      - Hospital
      - Health
    - Transportation
      - Highway
      - Airport
      - Water transport and terminal
    - Public safety
      - Police protection
      - Corrections
      - Protective inspection and regulation
    - Environment and housing
      - Sewerage
      - Natural resources
      - Parks and recreation
      - Housing and urban renewal
    - Government administration
    - Interest on general debt
  - Liquor store expenditure
  - Utility expenditure
  - Insurance trust expenditure
- Local government
  - General expenditure
    - Education
    - Social services and income maintenance
      - Public welfare
      - Hospital
      - Health
    - Transportation
      - Highway
      - Airport
      - Parking facilities
      - Water transport and terminals
    - Public safety
      - Police protection
      - Fire protection
      - Corrections
      - Protective inspection and regulation
    - Environment and housing
      - Sewerage
      - Sanitation other than sewerage
      - Natural resources
      - Parks and recreation
      - Housing and urban renewal
      - Governmental administration
      - Interest on general debt
    - Liquor store expenditure
    - Utility expenditure
      - Water supply
      - Electric power
      - Transit system
      - Gas supply
    - Insurance trust expenditure

Impact on individuals, families and businesses

In relation to
- Spendable income
- Provison of services
- Public vs private services

Effect of type of tax
- Progressive
- Regressive
- Proportional

Guidelines for reporting taxes

Keep accurate records, including all sources of income, all deductible expenses (if appropriate)
Read tax form instructions carefully
Use accurate computations
Learn to read tax tables
Pay on time to avoid penalty
Keep records for at least five years
Complete appropriate special forms
- HARRP
- Property tax relief form

credit

3.1 Credit Availability and Use

3.2 Credit Selection

3.3 Credit Problems

3.4 Consumer Credit Laws

credit

3.1 Credit Availability and Use

FIRST LEVEL

STUDENTS WILL KNOW FACTORS WHICH AFFECT THE USE AND AVAILABILITY OF CREDIT.

- Define credit.
- List factors which influence the availability and use of credit.
- Name the responsibilities of consumers and creditors in specific transactions.
- List legal uses of credit reports.
- List the various responsibilities of credit bureaus.

STUDENTS WILL COMPREHEND HOW PERSONAL AND ECONOMIC FACTORS INFLUENCE THE USE OF CREDIT AND ITS AVAILABILITY.

- Predict which consumers should receive credit in specific situations.
- Explain various personal and economic factors which influence the availability of credit.
- Summarize the responsibilities of the consumer to the creditor in terms of handling credit as a responsible consumer.

Ask students to write short paragraphs defining credit; discuss as a class. Survey the class to determine how many students have used credit in some form. Discuss reasons for its use; ie, convenience, emergency needs, immediate purchasing ability, personal preference. Next, discuss economic conditions which influence the availability of credit to the consumer, the role of credit in the total economy, and how the Federal Reserve Board affects the availability of credit. As a class, discuss the responsibilities of the consumer to the creditor, the consumer to self, and the creditor to the consumer. Ask students to develop a skit illustrating obligations and responsibilities of using credit in various situations.

Invite a representative from a credit bureau to class to discuss: why a credit bureau is needed and who may use its services; the types of information collected by a bureau; what is involved in a credit report, the information reported and how often it is brought up to date; the importance of credit reports; how individuals can review their own reports; how individuals can protect their own credit records. As a follow-up, have students review a sample credit report and discuss information and ratings reported and appropriate uses of such information.

SECOND LEVEL

STUDENTS WILL BE ABLE TO APPLY PRINCIPLES OF CREDIT USE AND AVAILABILITY TO VARIOUS SITUATIONS.

- Predict the effects of various economic conditions on credit availability and use.
- Show how credit use affects credit reports.
- Modify personal budgets to reflect an installment purchase.
- Predict the consequences of using credit in various situations.

*STUDENTS WILL BE ABLE TO EVALUATE THE NEED TO USE CREDIT IN VARIOUS SITUATIONS.

- Point out the advantages and disadvantages of using credit in specific situations.

- Determine when a consumer should receive credit in specific situations.
- Point out how credit reports affect credit availability.

As a class, review the business section of a newspaper or a recent financial or business journal to determine the current availability of credit and current interest rates. Discuss whether the prime rate has increased or decreased and what effect this has on interest rates and the availability of money. Generalize how economic conditions affect credit use.

Discuss individual and family situations such as: too much use of credit results in repossession or a deficiency judgment; a furnace malfunctions because of a family's hesitancy to use credit to finance repairs; a credit balance maintained at the allowable maximum. How might such situations affect individual and family budgets and credit records? Next, divide the class into groups and have each determine the advantages and disadvantages of using credit; discuss as a class. Show the class how to examine a credit application to determine whether an applicant is qualified to receive credit. Discuss how personal factors influence whether an applicant receives credit, including information contained in an individual's credit report.

THIRD LEVEL

STUDENTS WILL BE ABLE TO INTEGRATE PRINCIPLES OF CREDIT USE INTO VARIOUS SITUATIONS.

- Devise a plan for use of credit based on various personal and economic considerations.
- Summarize the potential impact of various types of indebtedness in specific situations.

STUDENTS WILL BE ABLE TO JUDGE THE APPROPRIATENESS OF USING CREDIT WHEN PURCHASING GOODS AND SERVICES.

- Justify using or not using credit.
- Interpret the impact of personal and economic conditions on the use of credit.

As a class, review hypothetical case studies of specific types of individual and family situations involving the use of credit and determine what type and amount of credit, if any, could be used in each situation. Choices should be based on: an analysis of current indebtedness and income level, a review of the most current credit report, how spending patterns would be readjusted, research on the cost of using credit currently as opposed to delaying the purchase. Next, review several hypothetical individual and family budgets and identify fixed expenditures which reflect installment purchases or the use of credit for essential services as opposed to those which are optional. Ask students to write paragraphs describing how degrees of indebtedness reflect the financial goals of an individual or family; statements should be supported through analysis of indebtedness in terms of costs and potential for making repayment on the part of the individual or family.

Factors affecting credit availability
Personal factors (lendor considerations)
- Regularity of income
- Length and stability of employment
- Possible reduction in income
- Amount of income currently obligated to installment payments
- Amount of discretionary income available
- Prior repayment record
- Joint obligation
- Collateral, if required
- Personal litigation record
- Purpose for seeking credit

Other factors
- Business conditions
- Economic climate
- Federal Reserve monetary policy
- Usury laws and other regulations

Advantages and disadvantages of using credit
Advantages
- Is available in emergencies
- Allows for immediate use of product or service; special opportunities
- Allows for budgeting of major purchases over period of time
- Establishes credit record
- Establishes record of purchases
- Convenient

Disadvantages
- Future income is committed
- Time purchases cost more than cash purchases
- Can lead to overspending, financial problems, impulse buying
- May limit comparative shopping

Responsibilities of credit use
Consumer responsibilities to self
- Check reputation of firm where credit purchase will be made
- Assure that all aspects of the contract are understood prior to signing (2.7)
- Learn how to fill out credit application
- Review bill and report errors (3.4)
- Review bill and report errors (3.4)
- Keep a copy of current charge slips
- Shop for best price and terms

Consumer responsibilities to creditors
- Limit obligations to amounts which can be repaid as agreed
- Make all payments promptly
- Contact creditor immediately if there is an inability to pay as agreed
- Fulfill all terms of credit contract

Creditor responsibilities to consumer
- Comply with all federal and state consumer credit regulations; ie
  - Presents an accurate printed statement of the transaction
  - Corrects billing errors when reported
  - Reports credit information accurately
  - Clears credit records if mistakes are made
  - Avoid knowingly exceeding the credit capacity of the consumer

Guidelines for credit reporting
Responsibilities of credit bureaus
- Issue credit reports
- Limit reporting to proper inquirers
- Make reasonable effort to provide accurate and current information
- Maintain confidentiality of records
- Comply with Fair Credit Reporting Act

Specified uses of credit reports
- Grant credit or collect accounts
- Underwrite insurance
- Determine eligibility for employment
- Determine eligibility for license, other benefit by governmental unit
- Determine reliability of party in a legitimate business transaction

FIRST LEVEL

STUDENTS WILL KNOW SOURCES OF CREDIT AND THE TYPES OF CREDIT WHICH ARE AVAILABLE.

- List sources of credit available in the local area.
- Name various types of credit.

STUDENTS WILL COMPREHEND THE FACTORS INVOLVED IN SELECTING SPECIFIC TYPES OF CREDIT.

- Distinguish between open- and closed-end credit.
- Explain factors which affect the dollar cost of credit.
- Explain how characteristics of different types and sources of credit influence selection.
- Summarize the cost of credit from different sources using appropriate tables.

Ask student volunteers to describe items which they have acquired through the use of credit; group items on the board according to the type of credit used. Next, list items commonly purchased by teenagers and have each student select one and shop for credit to purchase the item using newspaper advertisements or catalogs. As a class, discuss the types of credit available and the characteristics of each. As a follow-up, have students prepare a chart that compares operating policies, types of credit offered, and credit rates for various lending agencies and catalog retail outlets as advertised. Then ask students to visit local lending agencies and retail outlets to determine the types of credit offered by each. (Assign students to avoid duplication.) Share findings as a class and prepare another comparison chart. Why is it as important to shop for credit as it is to shop for goods and services?

Have students investigate the differences between open-end and closed-end credit; discuss the characteristics of each. Next, discuss sources of credit which are considered commonly; discuss the advantages and disadvantages of each.

Invite a resource person to class to explain why credit costs vary. Discuss costs other than finance charges which might be included in a credit transaction (eg, credit life or health insurance, computer charges, etc). In various situations determine whether these costs are voluntary or involuntary and whether they are included in the Annual Percentage Rate (APR). Define for students what is meant by Annual Percentage Rate. Show examples of contracts with the APR circled in red; demonstrate how APR is calculated.

Use examples to demonstrate that the dollar cost of credit is the difference between the cash and credit prices.

SECOND LEVEL

STUDENTS WILL BE ABLE TO APPLY PRINCIPLES OF CREDIT SELECTION TO VARIOUS SITUATIONS.

- Compute the cost of credit in various situations.
- Show how indebtedness affects financial planning in specific situations.

*STUDENTS WILL BE ABLE TO ANALYZE CREDIT TRANSACTIONS ACCORDING TO VARIOUS CONDITIONS.

- Select the credit transaction which most closely meets various personal and economic criteria.
- Illustrate how a credit transaction can contribute to financial stability or instability.
- Determine the costs of using credit in light of various economic climates.

Obtain current figures from several lending institutions and share these with the class. Using various examples, discuss how the size and terms of a payment affects the dollar cost. Then have students summarize in paragraphs the advantages and possible disadvantages of a large down payment and what effect increased indebtedness would have on an individual or family budget.

As a class, compare the dollar cost of credit available through various lending sources, using the maximum charge allowable; determine which is the least expensive source of credit. Next, compute interest costs for borrowing various amounts of money from a small loan company. As a follow-up, discuss how current economic conditions affect the cost of credit, as well as individual borrowing potential and the local economy.

As a class, chart interest rates from a single source for the past twelve months; explain factors which caused rates to remain stable or fluctuate. Compare the findings with other sources. Are there any trends in common among sources?

Compare dollar costs for financing either a car or mobile home that is new and one that is five years old; the length of contracts and the amounts borrowed should be the same. Determine potential resale value of each at a given period of time and identify which would be the better buy dollar-wise.

THIRD LEVEL

STUDENTS WILL BE ABLE TO INTEGRATE PRINCIPLES OF CREDIT SELECTION INTO FINANCIAL PLANNING.

- Design a plan for short- and long-term credit use.
- Reconstruct a budget to reflect several types of credit expenditures.

STUDENTS WILL BE ABLE TO JUDGE THE APPROPRIATENESS OF CREDIT SELECTION IN VARIOUS SITUATIONS.

- Appraise the differences among various sources of credit using specific criteria.
- Justify the choice of credit for specific situations.

Ask students to develop a chart that compares the dollar cost of credit among several retail establishments and lending agencies. List policies, such as repair and exchange policies which might influence a consumer's choice as to which source to use. Determine when and if an individual should select credit that is more costly. Then ask students to select sources of credit which would meet their standards and support the reasons for their choices.

Have students determine major purchases or expenditures, such as education, which they anticipate for the next one, five and ten years respectively; ask them to research the types and costs of credit which might be available to them during this period. Have students chart out plans for making these credit purchases and defend their plans by calculating the income needed to support such indebted levels as compared with potential earnings from employment. Reassess plans using a 12 percent inflationary rate and a 6 percent increase in income per year.

Types of credit
Open-end
- Thirty-day charge accounts
  - Expected to be paid in full within the time agreed upon
  - No finance charge
  - Possible late charge if not paid within time agreement
- Revolving charge accounts
  - A maximum amount of credit established
  - Monthly payments include a finance charge on the unpaid balance
- Bank credit cards
  - Permit the consumer to buy on credit at a large number of retail businesses
  - Similar in many respects to revolving charge accounts
  - Have identification features
- Service credit
  - Offered by some doctors and dentists, utility companies, dry cleaners, repair services, etc
  - Terms are determined by each business

Closed-end
- Installment credit
  - Long-term consumer credit
  - Contract signed before goods delivered
  - Seller usually retains title to or a security interest in goods until final payment made on contract
  - Specified payments made on a regular basis for a specified period of time
    - Finance and other charges are added
    - Interest charges vary
  - Cash loans
    - Borrowers sign a note and other documents if loan secured, specifying the repayment plan for money borrowed

Sources of credit
Retail stores
- Extend credit in a variety of ways for purchase of goods and services

Banks
- Generally charge the maximum rates allowable by law
- Generally loan only to bank customers

Credit unions
- Require membership before making a loan
- Generally charge the maximum rate allowable by state or federal charter

Small loan (consumer finance) companies
- May require collateral
- Generally charge the maximum rate allowable by law

Pawnshops
- Generally charge the maximum rate allowable by law
- Do not lend amounts comparable to full value of property pawned
- May sell property if loan is not repaid on time

Usurious lenders
- May be private parties unaware of usury laws
- Are non-licensed lenders

Other
- Agencies providing educational loans
- Utility companies
- Sales finance companies
- Health care professions
- Insurance companies (loan against cash value)
- Friends and relatives
- Government subsidized or guaranteed loans

Factors affecting credit cost
Amount of money borrowed
Length of time borrowed
Ability of borrower to repay
Collateral or security offered
Current interest rate
Other finance charges
Method used in computing the cost
Source of credit available
Type of credit selected
Legal restrictions (3.4)

FIRST LEVEL

STUDENTS WILL KNOW HOW TO PREVENT OR RESOLVE CREDIT PROBLEMS.

- List several methods for resolving credit problems.
- Identify agencies or groups in the local area which can assist with credit problems.
- Identify how individuals and families can prevent or resolve financial crises.

*STUDENTS WILL COMPREHEND THE CONSEQUENCES OF PROBLEMS WITH CREDIT.

- Explain the functions of various groups or agencies which help with credit problems.
- Give examples of ways to resolve credit problems.
- Summarize the benefits of resolving credit problems.

Have students brainstorm "symptoms" which might indicate a problem with credit or financial planning. Then, simulate a situation where family members are attempting to work out credit problems. Discuss how different members of the family can help resolve the problem. Compare situations in two families—one that resolves the problem and one that ignores the situation.

Invite a creditor to class to discuss how people can protect themselves from credit problems. Discuss the major reasons for such problems and suggestions for preventing or resolving problems in the area of credit. Next, ask students to identify agencies or groups in the local community which are available to assist with credit problems. Discuss who sponsors these agencies or groups, who they help, the costs involved, and what services they provide.

SECOND LEVEL

STUDENTS WILL BE ABLE TO RESOLVE CREDIT PROBLEMS.

- Show how various agencies and groups can assist with credit problems.
- Show how a change in financial planning and expenditures can help with overextension of credit.

STUDENTS WILL BE ABLE TO ANALYZE CREDIT PROBLEMS.

- Point out factors which lead to credit problems in various situations.
- Identify potential consequences of unresolved credit problems.
- Select a method for resolving credit problems in various situations.

Invite a financial counselor to class to simulate interviews with an individual and with a family having financial problems. List the particulars of each case on the board, including income and indebtedness data, and ask each student to identify how the individual and the family could repay debts and establish financial stability. As a follow-up, review several hypothetical studies involving individuals and families having problems with overextension of credit. As a class, determine which factors created each problem and what action could be taken to remedy each; discuss potential financial, emotional and social consequences of various courses of action.

THIRD LEVEL

STUDENTS WILL BE ABLE TO FORMULATE A PLAN FOR RESOLVING CREDIT PROBLEMS.

- Reconstruct a budget to reflect repayment of indebtedness.
- Design a plan to eliminate credit problems.

STUDENTS WILL BE ABLE TO JUDGE THE IMPORTANCE OF MAINTAINING CREDIT WORTHINESS.

- Interpret the effects of unresolved credit problems on personal and economic conditions.
- Justify the use of legal resources to resolve indebtedness.
- Interpret the effects of personal collections or bankruptcy on the cost of all goods and services.

Visit a bankruptcy court or invite a lawyer to class to discuss current bankruptcy laws as they affect personal bankruptcies. Have students prepare a chart of the most common factors leading to bankruptcy; identify to what extent lack of financial planning or lack

of adequate protection (2.5) can contribute to the overextension of debt. Ask each student to write a paper summarizing the effects of increases in the number of bankruptcies on the cost of credit and the cost of goods and services to the entire community.

Using various hypothetical case studies, have students outline plans for repayment of debts by reducing expenditures, increasing income, or liquidating assets. As a class, discuss various ways each of these alternatives could help repay debts in a number of situations. What effects might each of these approaches have on the individual or different family members? Explore any legal resource available for problems with debt, and determine the potential impact on the individual, family, and the community.

Methods of resolving credit problems
- Advise creditors of the situation
- Seek financial counseling from
  - Financial institutions
  - Consumer Credit Counseling Service, Inc
  - Educational program; ie, community college classes or extension service
  - Debt consolidating agencies
  - Various welfare, religious or fraternal groups
  - Friends and relatives
- Obtain debt repayment assistance
  - Consumer Credit Counseling Service
  - Debt consolidating agencies
- Obtain legal advice or information for specific situations
  - Garnishment of wages
  - Collection agency action
  - Procedures, costs and effect of bankruptcy
- Explore alternatives
  - Increase income
  - Reduce debts
  - Sell or liquidate assets
- Resolve incorrect billing or charge errors
- Correct errors in credit record
- Review financial planning (2.2) and payment procedures
- Eliminate overextension of indebtedness

Potential implications of unresolved credit problems
- Credit denied or sources limited
- Credit costs increase
- Credit rating affected adversely
- Essential goods and services, such as electricity, not available
- Employability affected adversely
- Family tension
- Repossession or foreclosure of real or personal property
- Medical care and insurance coverage difficult to obtain
- Garnishment of wages
- Judgments or liens against the consumer
- Collectors seek repayment
- Bankruptcy (voluntary or involuntary)

FIRST LEVEL

STUDENTS WILL KNOW HOW CONSUMERS ARE PROTECTED BY FEDERAL AND STATE LAWS.

- Name several state laws which have been enacted to protect consumer credit transactions.
- List several federal laws which regulate consumer credit transactions.
- Outline the provisions of a federal or state law designed to protect consumer credit.
- Describe the rights and responsibilities of both lenders and consumers as specified in legislation.
- List the legislated rights and responsibilities of consumers in use of credit cards.

STUDENTS WILL COMPREHEND HOW LEGISLATION SAFEGUARDS THE CONSUMER IN CREDIT TRANSACTIONS.

- Give examples of several rights and responsibilities defined by state law.
- Summarize the provisions of several federal laws which are designed to protect consumers.
- Paraphrase the creditor's responsibilities as defined by a specific federal or state statute.

Ask students to investigate a variety of federal and state consumer credit laws and report on the provisions of the laws, ways in which those laws protect the consumer, protection provided to the creditor (if any), methods for enforcing the laws.

Have students discuss the potential liabilities of credit card holders and various provisions of the law which may provide some protection. Using a variety of hypothetical case studies, ask students to outline steps which should be taken when a credit card is lost or stolen; for each situation, define and explain the limits of liability for the creditor. Next, examine several credit cards to determine in what way, if any, the creditor has provided a method for identification. Discuss the consumers' responsibilities for completing such identification as their signatures in order to protect themselves. As a class, review a loan or credit card application to identify what information a potential credit grantor can ask when determining an applicant's eligibility for credit. Discuss what information may be asked only in certain situations and the potential effects such information has on the granting of credit.

Invite a representative from a local lending institution to class to discuss the advantages and disadvantages of the Equal Credit Opportunity Act on lending institutions and potential borrowers. Discuss what effect, if any, this Act has had on the cost of credit. Discuss the provisions of the Fair Credit Billing Act and identify procedures for consumers to follow if a bill is in error.

SECOND LEVEL

*STUDENTS WILL BE ABLE TO APPLY CONSUMER CREDIT LAWS TO INDIVIDUAL SITUATIONS.

- Prepare a chart depicting the legal limits of specific credit transactions.
- Prepare a checklist of consumer and creditor responsibilities for various laws.
- Show how legislation affects costs of goods and services in specific situations.

STUDENTS WILL BE ABLE TO ANALYZE THE EFFECTIVENESS OF CONSUMER CREDIT LEGISLATION.

- Identify specific situations where legislation influences resolution of consumer credit problems.
- Point out the advantages and disadvantages of consumer credit legislation in various situations.

Chart current maximum loan charges for a variety of lendors.

Review various types of retail installment contracts, pointing out the various items disclosed. Compare those items disclosed with those required by the truth in lending provision. Determine the rights and responsibilities of both creditor and consumer in each instance. Next, review sample leasing contracts for proper disclosure of credit charges. Determine what limitations, if any, on consumer obligations are provided in the lease.

Simulate a situation where a credit grantor refused to grant credit. Discuss the action taken by both the

credit grantor and consumer, and determine what actions might have helped to resolve the situation.

Invite several retailers to class to share their opinions about how much certain legislation has increased the cost of goods and services in the marketplace. As a class, research the cost of certain safety equipment features required on new automobiles and calculate the percentage of the total cost for such safety features.

THIRD LEVEL

STUDENTS WILL BE ABLE TO RELATE HOW LEGISLATION INFLUENCES CONSUMER CREDIT.

- Revise a specific law or regulation in such a manner as to change the protection provided consumers.
- Explain the possible effects of a specific law on consumer credit.

STUDENTS WILL BE ABLE TO JUDGE THE ADEQUACY OF CONSUMER CREDIT LEGISLATION IN VARIOUS SITUATIONS.

- Appraise consumer credit contracts for inclusion of specific legislation.
- Justify the need for an increase or decrease in consumer credit legislation.
- Contrast the costs of consumer credit legislation with the benefits.

Review Oregon's community property rights and determine the possible effects on family finances and consumer credit. Revise or write legislation to increase protection for all family members.

Divide the class into research groups and assign each group a specific law or regulation to investigate. Have groups prepare justifications for proposed changes which the group suggests; rewrite legislation to include changes, and interpret what effects changes would have on both buyers and sellers. Tally changes as either pro-consumer or pro-seller and discuss why there might be an inclination in one direction or another, if applicable.

Ask students to prepare a sample loan application, including information they would like to know if lending money to an individual. Review the application in terms of compliance with Regulation B. Then, have students make a chart of all items identified by Regulation Z which must be disclosed in credit transactions. Review two sample contracts and determine the type of information needed for each required item of disclosure. Determine which contract, if either, provides for the best disclosure of information.

Invite a loan officer to class to discuss what effect, if any, Oregon's reduction in the age of financial responsibility to age eighteen has had on the cost of loans to young adults. What advantages and disadvantages might this have in terms of availability of credit to young people. Have students take a position on this change and defend their positions.

Federal laws related to credit

Consumer Credit Protection Act
- Rights of consumers related to credit cards
  - Can be issued only upon request except for renewals and substitutions
  - Limits liability for unauthorized use
    - No liability after notification in writing of loss or theft of card
    - Liability maximum is $50 (no liability if issuer does not give notification of potential liability and method of identification, such as signature panel or photograph)
  - Issuer must provide cardholder with a self-addressed, prestamped notification card

Truth in Lending Provision (Regulation Z)
- Requires lendor to disclose
  - Cash price
  - Cash down payment
  - Trade-in
  - Total down payment
  - Amount financed, including unpaid balance of cash price, insurance costs and filing costs, and other miscellaneous itemized costs, if any
  - Finance charge (dollar amount)
  - Annual Percentage Rate (APR)
  - Deferred payment price (total amount to be paid under contract)
  - Date finance charges begin to accrue
  - Number, amount, and due date of payments
  - Description of security interest, if any
  - Method of computing unearned finance charge (in case of prepayment)
  - Various other items pertaining to the transaction, if applicable

Truth in Leasing Provision (Regulation Z)
- Imposes similar disclosure requirements as Truth in Lending for costs and terms of leases
- Sets up limits on consumers' obligation at the end of lease and methods of determining the obligation when there is a dispute

Fair Credit Billing Act
- Procedures to correct billing mistakes in open-end credit and credit card transactions
- Creditors must make disclosure of this procedure to the consumer when account first opened and at least twice annually thereafter
- Procedure if bill in error or further explanation needed
  - Contact creditor in writing within 60 days of postmarked date on the bill (phone call does not preserve legal rights)
  - State on paper, separate from bill, the name, account number, explanation of problems, and amount of error
  - Send correspondence by certified mail, return receipt requested
- Creditor's responsibilities
  - Within 30 days must acknowledge receiving complaint, unless error has been corrected
  - In certain circumstances must also notify the credit bureau

- Within 90 days must reinstate the bill and either make correction, or send an explanation of reason they believe bill is correct
- During the period of investigation
  - Consumer does not have to pay disputed amount but is responsible for remainder of bill
  - Creditor can not take action to collect or report disputed amount as delinquent
- After reinvestigation period
  - Creditor may report amount as delinquent
  - Consumer has 10 days to respond in writing if refusing to pay
  - Consumer must notify other creditors that the amount remains disputed
- If the bill was in error
  - Consumer has no responsibility for finance charges on disputed amount
  - Creditor may give refund or credit account for excess payments

Equal Credit Opportunity Act (Regulation B)

- Prohibits discrimination on the basis of
  - Sex
  - Marital status
  - Race
  - National origin
  - Religion
  - Age
  - Receipt of income through public assistance
- Does not guarantee credit to special groups, but specifies that credit worthiness must be evaluated in the same manner for all people, namely
  - Income
  - Expenses
  - Debts
  - Reliability
  - Credit history
- Prohibits creditors from
  - Asking information about child-bearing or family plans
  - Requiring a co-signer, if not required of other applicants in similar situations
  - Requiring information about one's spouse unless
    - Spouse will use account
    - Spouse will be responsible for account
    - Spouse's income is being relied upon
    - In community property states, information regarding spouse may always be requested (Oregon is not a community property state; Washington and California are)
    - Refusing to maintain accounts after a change in name or marital status or reaching a certain age or retirement
    - Refusing to consider consistently received alimony or child support
- Applicant has the right to
  - Have joint account information listed in names of both
  - Show how the credit history of a spouse reflects in credit worthiness
  - Reveal child support or alimony as income
  - Know whether the application was accepted or rejected within 30 days after filing
  - Know if adverse action is taken on a credit application

Oregon laws related to credit and credit use*

Usury law

- Basic rates
  - 10 APR if borrower is individual
  - 12 APR if borrower is business
- Exceptions
  - No rate limit on amounts of more than $50,000
  - 12 APR on loans to individuals if secured by real property
  - Banks may charge 15 APR, except consumer loans secured by residential real property (12 APR)

Retail installment contracts

- Truth in lending disclosures must be made
- No maximum finance charge established except for motor vehicles and mobile homes

Automobile and mobile home retail installment contracts

- New cars (current or previous model year)
  - Approximate 14.5 APR
  - Rate varies slightly with length of contract
- New mobile homes (current or previous model year)
  - 10 to 16.5 APR depending on length of contract
  - Lower rates on longer contracts
- Other new mobile homes and cars (older than previous model year) and used (not older than two model years prior to current year)
  - 18 APR (rate varies with length of contract)
- All other used cars and mobile homes
  - Approximiately 21.5 APR (rate varies with length of contract)
  - A minimum finance charge of $25 can be made regardless of resulting APR

Small loan (consumer finance) companies

- No maximum on loans above $50,000
- Maximum rates of interest
  - 36 APR on first $500 even if total is more than $500
  - 21 APR on unpaid balance between $500 and $2,000 (because of 36 APR on first $500, combined APR will be higher than 21 APR)
  - 15 APR on unpaid balance between $2,000 and $5,000 (because of 36 APR and 21 APR on initial amounts, combined APR will be higher than 15 APR)
  - 19.5 APR on entire balance if loan is between $5,000 and $50,000
  - All dollar amounts are subject to adjustment according to the Consumer Price Index (CPI)

Credit unions

- Maximum charge for state chartered credit unions is 10 APR
- Maximum charge for federal chartered credit unions is 12 APR

Pawnshops

- Highest maximum charge allowable is 36 APR plus set up charges

Noninstitutional sources of credit

- Subject to usury law
- Includes friends and family
- Loan sharks, by definition, usually do not comply with legal limitations

*Laws current as of April 1981. Proposed changes under legislative consideration.

purchase of goods and services

4.1 Factors Affecting Consumer Purchases

4.2 The Role of Advertising

4.3 Guidelines for Shoppers

4.4 Making Specific Purchases

purchase of goods and services

4.1 Factors Affecting Consumer Purchases

FIRST LEVEL

STUDENTS WILL KNOW HOW VARIOUS FACTORS INFLUENCE CONSUMER PURCHASES.

- List personal factors which influnce consumer purchases.
- Identify economic and societal factors which influence purchasing decisions.
- Identify different types of markets.

STUDENTS WILL COMPREHEND THE INTERACTION OF VARIOUS FACTORS IN THE MARKETPLACE.

- Give examples of factors which influence consumer decisions in specific circumstances.
- Explain how economic constraints may affect consumers in various situations.
- Explain the circular flow of money.

Have students identify and discuss personal resources and explain how decisions to make consumer purchases depend upon the resources available and the types of goods and services sought; eg, purchasing a bicycle as opposed to purchasing a car. As a class, discuss differences among consumers in the use of personal resources when making consumer purchases. Next, display pictures from magazines on the bulletin board under the captions "Needs," "Conveniences," "Luxuries." Have students compare their own needs and desires with those displayed and discuss similarities and differences. List typical goals for teenagers in the area of making purchases and discuss factors which might influence these goals. How might goals for adults differ or be the same? As a follow-up, ask students to discuss how often they have cut back on needs and conveniences to purchase a luxury item. Why is it important to recognize when one is attempting to satisfy an emotional need through the purchase of an item, and how making such a purchase automatically narrows other purchasing options? Follow with a group discussion on major expenditures usually incurred at each stage of the life cycle and the value of planning spending according to long-range goals.

Have students in groups study the effects of current economic conditions, major technological changes, environmental factors and marketing techniques on consumer decisions. Identify how different types of market structures affect the consumer's ability to make decisions. As a class, discuss how economic constraints may affect consumers when consumers are unfamiliar with quality of products on sale, small business managers are unfamiliar with amount of demand and extent of competition, consumers are unable to travel to sales.

Using a transparency, explain to the class the circular flow of goods and services. Then discuss the influence private markets and government partnerships have on the consumer's share of total goods and services produced, and the effect of inflation on an individual's ability to purchase goods and services.

SECOND LEVEL

*STUDENTS WILL BE ABLE TO APPLY PERSONAL AND MARKETING CONSIDERATIONS TO CONSUMER PURCHASING DECISIONS.

- Relate personal factors to consumer purchasing decisions.
- Relate economic and societal factors to consumer purchasing decisions.

STUDENTS WILL BE ABLE TO DISTINGUISH AMONG VARIOUS FACTORS WHICH INFLUENCE CONSUMER PURCHASING DECISIONS.

- Distinguish the value of promotional techniques in various situations.
- Illustrate the impact of international trade on the availability and price of specific products.

Have students debate whether individual and family standards of living are determined chiefly by income, personal priorities, or goals. Next, have students research and discuss the concept of "voluntary simplicity" as a means for reducing consumption, including ways the consumer can choose to conserve any number of finite resources. Ask each student to select and apply one method of conservation that matches personal priorities, such as conserving energy by switching off lights when not in use; report results to the class. Have students discuss why they chose particular methods, how well their efforts succeeded, how closely the project matches personal resources and goals, and the economic and societal concerns addressed through various conservation methods.

Use a transparency or bulletin board to outline goals and resources for a hypothetical consumer. Chart alternative approaches which might be followed due to scarcity of a given resource, such as energy.

Ask students to bring examples of various promotional advertisements to class and display on the bulletin board for discussion purposes. Of what value are such advertisements to the consumer?

Ask students to define what is meant by "the balance of trade." Research recent changes in the import/export policy of the United States. Illustrate how a reduction in the supply of a limited resource, such as oil, influences the price and consumption of that resource.

THIRD LEVEL

STUDENTS WILL BE ABLE TO RELATE PURCHASING DECISIONS TO CURRENT PERSONAL, SOCIETAL AND ECONOMIC CONSIDERATIONS.

- Design a plan for making major purchases.
- Summarize the impact of current economic and societal conditions on personal buying patterns.
- Generate plans for including environmental concerns in purchasing decisions.

STUDENTS WILL BE ABLE TO JUDGE HOW PERSONAL AND ECONOMIC FACTORS AFFECT CONSUMER PURCHASING DECISIONS.

- Appraise the relationship between the balance of trade and consumer purchasing decisions.
- Justify the purchase of one consumer item over another for environmental, personal, or economic reasons.

Ask each student to select one product to research in terms of factors which influence changes in price. Predict the price of the product, considering such factors as fluctuations in supply and demand, increased regulations, and various economic conditions. Then predict whether the product is likely to increase or decrease in price during the coming year when compared to current and predicted rates of inflation, and defend this prediction based on trends in international trade and technological advancements.

Research the sales of automobiles and housing during the past year and discuss factors which have influenced consumer demand, such as product cost, maintenance or upkeep, or energy supply and cost.

Ask each student to make a list of purchases which either are needed or wanted; group purchases according to major and minor expenditures and evaluate each in terms of essential need or desirability. As a class, share lists and determine which expenditures are common with fifty percent or more of the class. Discuss whether social pressures influence personal purchasing decisions, and what types of personal and social impact this may have. Then, ask students to reevaluate their lists and support the selection of three items in terms of personal need; defend selections in terms of energy efficiency and environmental impact.

Personal factors
Resources available
- Time
- Money
- Energy
- Skills
- Ability
- Credit

Individual or family characteristics
- Age, sex, marital status, number and health of family members, stages in the life cycle, emotional state, customs and background
- Needs and wants
- Goals and values

Economic and societal factors
Scarcity
- Resources limited
- Choices required
- Trade-offs made
- Prices tend to reflect level of scarcity
- Opportunity costs must be considered

Prices
- Change due to
  - Fluctuation in supply and demand
  - Regulations
  - Economic conditions, eg:
    - Inflation
    - Depression
    - Recession
    - Stagflation
- Are measured by Consumer Price

- Index (CPI)
- Money supply (5.1)
  - Supply of money fluctuates
  - Availability of credit changes
- Technological developments
  - Change prices and products as a result of
    - Education
    - Research (public and private)
    - Productivity advancement
  - Leads to increased productivity and increased efficiency in the use of scarce resources
- Types of market structure
  - Pure competition
  - Pure monopoly
  - Monopolistic competition
  - Oligopoly
- International trade
  - Price and supply of products fluctuate
  - Political factors affect what and how much is imported and exported
- Environmental concerns
  - Personal costs and benefits
    - Economic
    - Noneconomic
  - Social costs and benefits
    - Economic
    - Noneconomic
  - Economic constraints
    - Lack of complete information
    - Resource immobility
    - Side effects of production and consumption (externalities—costs or benefits)
    - Imperfect competition
    - Government intervention or regulation
- Markets and marketing
  - Types of stores and facilities
  - Costs of supplying products and services
    - Materials and production expense
    - Merchandising and promotional expense
    - Wage and salary expense
    - Margin of profit
  - Consumer demand
  - Competitors' prices and policies
  - Product substitution
  - Market structure
  - Promotional techniques
    - Discount offers
    - Loss leaders
    - Clearance sales
    - Odd number prices
    - Multiple prices
    - Coupons
    - Trading stamps
    - Contents and games
    - Packaging
    - Displays

FIRST LEVEL

STUDENTS WILL KNOW HOW ADVERTISING INFLUENCES CONSUMER PURCHASING DECISIONS.

- List sources of advertising.
- List purposes of advertising.
- List criteria for evaluating advertising.

STUDENTS WILL COMPREHEND THE IMPACT OF ADVERTISING ON CONSUMER DEMAND.

- Explain the purposes of advertising in specific situations.
- Summarize sources of advertising at the local level.

Have a contest between groups of students to determine which group can name the most sources of advertising, emphasizing those sources used less often. Collect samples. Discuss various approaches used and ways consumers can evaluate advertisements. As a follow-up, discuss as a class the importance of advertising for the consumer, the seller and the economy.

SECOND LEVEL

STUDENTS WILL BE ABLE TO APPLY ADVERTISING TECHNIQUES TO CONSUMER PURCHASING DECISIONS.

- Prepare typical advertisements which appeal to specific audiences.
- Show how advertisements can have informational, promotional or economic value to specific groups.

*STUDENTS WILL BE ABLE TO ANALYZE THE EFFECTS OF ADVERTISING ON CONSUMER PURCHASING DECISIONS.

- Distinguish between specific types of advertisements in terms of objectivity.
- Outline criteria for evaluating advertisements.

Over a period of a week, ask students to observe radio and television advertisements closely. As a class, discuss advertisements in terms of potential audiences and the types of appeal used; determine whether subliminal techniques might be involved. Follow with a quick review of advertisements found in popular magazines. Next, discuss ways in which advertising is regulated; government regulation, self-regulation and market demand. Have students debate the effect of each.

THIRD LEVEL

STUDENTS WILL BE ABLE TO FORMULATE ADVERTISEMENTS WHICH COULD AFFECT CONSUMER PURCHASING DECISIONS.

- Compose a checklist for evaluating advertisements.
- Revise an advertisement to create a particular type of appeal.
- Write an advertisement for a specific product or service.

STUDENTS WILL BE ABLE TO JUDGE THE VALUE OF ADVERTISING TO BOTH THE CONSUMER AND THE SELLER.

- Appraise the benefits of a specific advertisement to the buyer and the seller.
- Support the use of one source of advertising over others in various situations.

Ask each student to write an advertisement for a specific product or service geared to a specific audience. Share as a class and discuss the potential benefits of advertisements for both the buyer and seller. Next, discuss the role of the consumer, manufacturer and government toward achieving higher standards in advertising. Have groups of students evaluate advertisements using a checklist which addresses the following questions: What type of appeal does the advertisement have? What does the advertisement tell about the product? Is information presented adequately and accurately? Is the advertisement in good taste? Is the advertisement factual? Does the advertisement appeal to a specific audience? As a follow-up, ask students with specific compliments or complaints about advertisements to write a hypothetical letter to the proper authorities to register their feelings (ie, manufacturer, Federal Trade Commission, local television or radio stations, national network television, local stores, newspapers).

Purposes of advertising in the economy
Performs an informational function
- Introduces new products
- Explains functions of products
- Identifies sources of products or services
- Identifies products or services available
- Compares products (size, price)

Performs a promotional function
- Creates product and brand loyalty
- Establishes an image for a product
- Differentiates a product from its competition

Performs an economic function
- Helps finance communications; ie, magazines and newspapers
- Helps finance entertainment, ie, television and radio
- May stimulate the economy
- May increase or decrease product cost

Types of advertising
Newspaper, magazines and circulars
Catalogs, brochures and mailing lists
Billboards and posters
Yellow pages of phone book
Contests and promotional giveaways
Radio and television
Packaging
Free samples
Direct mail

Criteria for consumer use of advertising
Accuracy of information
Adequacy of information
Fairness of the technique
Appropriateness for intended audience
- In good taste
- Does not annoy or irritate
- Sufficiently realistic

Types of ethics standards and regulations
Self-regulation by industry
- Voluntary standards code
- Advertising review boards

Agency regulation
- Federal Trade Commission
- Other

Market demand

FIRST LEVEL

STUDENTS WILL KNOW HOW SHOPPING SKILLS AID IN CONSUMER PURCHASES.

- Outline the steps involved in making a decision.
- List techniques for shopping effectively.
- Identify sources of information for consumers.
- List types of retail outlets.

STUDENTS WILL COMPREHEND HOW SHOPPING SKILLS ASSIST THE CONSUMER.

- Explain the steps involved in making a decision.
- Defend the use of a shopping list.
- Summarize how shopping techniques assist consumers.
- Explain marketing terms and their meanings.
- Summarize the value of pricing statements in specific situations.
- Distinguish between various types of warranties.
- Explain how various sources of consumer information could be useful.
- Explain factors involved in choosing retail outlets and services.

Use a transparency to explain the steps involved in making a decision. Next, have a number of students describe some of the most and least satisfying purchases they have made, why each was satisfying or not, and if the decision-making process was utilized when making various purchases. As a class, discuss the advantages of planning before shopping.

Ask students to examine magazines for information about tested products. Identify other sources of consumer information and discuss the usefulness of such sources.

Ask students to review their own shopping habits for impulse buying tendencies and report to the class. Discuss the effect of factors such as color and attractiveness of display on buying moods and what can be done to improve buying habits.

List difficulties commonly encountered when trying to determine a real bargain; include pricing phrases often used in retail stores and discuss "price" as an indicator of quality. Next, have students bring samples of various product warranties to class and discuss which warranties are implied, and which are expressed.

As a class, discuss a number of different types of retail establishments, and identify those which are located in the community. Discuss each in terms of facilities and services, such as physical plant, credit and approval privileges, etc, and how these factors affect the consumer's choice to shop at a given establishment. Then, using a transparency or chart, show typical layouts for different types of stores; discuss how layouts affect shopper convenience and impulse buying tendencies.

Ask students to describe potential successes and failures when purchasing various types of services; simulate situations to demonstrate how to avoid difficulties and handle unavoidable problems. Then, invite a representative from a company that provides services in the local area to class to discuss ways consumers can help make services more efficient. As a follow-up, have students research and determine which repair, professional, and financial services require city or state licenses. Discuss reasons for requiring licenses, as well as the potential benefits and drawbacks of licensing requirements.

Have students research mail order buying and discuss: the advantages and disadvantages generally; how catalog prices compare with prices in retail stores, and, if different, why; the accuracy of catalog descriptions; whether information is provided on the care and use of items, and if such information would be available as readily through a retail establishment; recourse available should problems occur.

***SECOND LEVEL**

STUDENTS WILL BE ABLE TO APPLY SHOPPING SKILLS TO CONSUMER PURCHASING DECISIONS.

- Use shopping techniques when selecting a product or service.
- Show how the decision-making process affects buying decisions.
- Use specific consumer information to make shopping decisions.

STUDENTS WILL BE ABLE TO EVALUATE SHOPPING SKILLS AND BUYING PRACTICES.

- Point out precautions to use when purchasing sale items in various situations.
- Diagram how to make price-quality comparisons.
- Select sources of consumer information to aid in specific situations.

Ask students to make and use shopping lists when shopping; discuss any improvements in shopping habits.

Compare the actual cost of an item selling for a lesser price at a store across town with the regular price at a neighborhood store, taking into consideration transportation costs to the across town store. Use current tables with cost per mile for a number of types of vehicles.

In simulated situations, have each student select between two items of equal worth to the student when only one item may be purchased. Discuss as a class how steps in the decision-making process were utilized in each situation; discuss trade-offs and opportunity cost.

As a class, develop a checklist for evaluating the objectivity and usefulness of various sources of information, including such features as the completeness of information made available and implied representations. Discuss specific factors to consider when seeking information from family, friends, and sales personnel. As a follow-up, develop a consumer information center with fact sheets and resource materials.

Have students research various legal requirements printed on labels and packages of such merchandise as cosmetics, textile products, upholstered furniture. As a class, discuss various aspects of good labeling practices.

Have students examine merchandise on sale through establishments locally and speculate as to why it is on sale, including such reasons as quality, style, overstock, etc. Share findings as a class. As part of their research, have students compare the quantity and price of goods available on the first day of the sale with goods available at the close of the sale and discuss and make a list of factors to be aware of when shopping sales. In addition, show students how to rate the quality of several items, using 90-100 as excellent, 80-90 good, 70-80 above average, etc. Ask students to utilize the formula to make price-quality comparisons. As a follow-up, develop guidelines for selecting services and discuss as a class.

THIRD LEVEL

STUDENTS WILL BE ABLE TO FORMULATE SHOPPING GUIDELINES WHICH ASSIST IN MAKING CONSUMER PURCHASES.

- Develop a plan for making major purchases.
- Modify shopping patterns to minimize impulse buying.
- Rewrite a warranty to express quality or performance.

STUDENTS WILL BE ABLE TO JUDGE THE ADEQUACY OF SHOPPING GUIDELINES IN MAKING CONSUMER PURCHASES.

- Justify the use of the decision-making process in making consumer choices.
- Justify the selection of a product or service based on consumer information.

Group students into hypothetical family units and ask each "family" to list various items which they would like to purchase. Group items as major or minor purchases, and whether an installment purchase is involved. Then have each family agree upon three items which they would like to purchase; rank items according to priority; establish a plan for making the purchases. Have students support the rationale of their intent by planning how they can reduce impulse purchases. Ask students to record their purchases for a week and report their success or failure.

Federal law requires that specific disclosures be made in most warranties involving consumer goods. Have students review sample warranties and check for the following in each: Is the warranty implied or expressed? Does the warranty cover the whole product or just part of it? What part or parts? Does the warranty assure the performance of the product? What is the product made of and how long will it last? What replacement or refund is provided in case of defects or failure? Then, ask each student to rewrite one of the warranties so that the type of coverage provided by the warranty is changed. Discuss whether student warranties are implied or expressed, and identify similarities and differences among warranties. Considering warranty agreements, as well as product features and price, ask each student to select one product over the others and defend the choice.

Ask each student to simulate the purchase of a product using a variety of consumer information and the decision-making process, and support the choice of the product over one that might have been purchased on impulse.

Guidelines for planning purchases

- Distinguish between immediate and long-range needs
- Use the decision-making process
  - Define the problem
  - Determine reasonable alternatives
  - Seek appropriate information
  - Weigh alternative choices, considering the trade offers and opportunity costs
  - Determine the best choice
  - Reevaluate selection
- Plan for long-range needs
  - Locate items needed
  - Check store policies on sales
  - Watch for sale announcements
- Plan ahead by using a shopping list
  - Include sizes and amounts
  - Specify brands preferred and price limits
  - Organize list by store locations and layouts

Techniques for shopping effectively

- Use precautions when purchasing bargains
  - Examine merchandise carefully as sale items are usually not returnable
  - Consider possible costs for upkeep and repair
  - Compare expense involved in shopping, such as babysitter, parking, transportation, to sale prices
  - Check warranties
  - Check the original price of sale items
  - Shop the first day of sale to ensure greatest selection of merchandise
  - Shop the last day of sale to find items reduced for quick sale
  - Understand marketing terms
    - "Sale" means offering goods at a price, not necessarily at a reduced price
    - "Clearance" means a desire to sell all merchandise listed, but not necessarily at reduced prices
    - "Liquidate" means to turn into cash, but not necessarily to sell at lower price
- Check for short weights and slack fills
- Know value of pricing statement used by retailers
  - Statements of little value
    - "Manufacturer's list price"
    - "Suggested retail price"
    - "Comparable value"
  - Suspicious statements
    - "Price $25 worth $40"
    - "Everyday low price"
    - "Best buy in town"
  - Generally trustworthy statements
    - "Our regular price is . . ."
    - "Similar merchandise was sold in our store for . . ."
- Avoid impulse buying
  - Be conscious of emotional moods when shopping
- Avoid shopping during period of
  - Stress
  - Hunger
  - Crisis
  - Loneliness
- Check price-quality relationships
  - Check unit prices to make price-quality comparisons
  - Use formula for making difficult price-quality comparisons

$$\text{Price} \Big/ \frac{\text{Quality rating}}{\text{Based on 100 points}}$$

Example:

$$\text{Item 1 price } \$10 \Big/ \frac{8.5}{\text{Points - 85}}$$

$$\text{Item 2 Price } \$12 \Big/ \frac{6.6}{\text{Points - 80}}$$

$$\text{Item 3 Price } \$15 \Big/ \frac{6.0}{\text{Points - 90}}$$

- Check warranties
  - Federal law requires specific disclosures in most warranties involving consumer goods
  - Types
    - Implied—consumer goods sold by merchants are understood to be of at least fair average quality unless the seller clearly disclaims any such warranty
    - Expressed—Anything positive said or written about the quality or performances of consumer goods
- Use sources of consumer information
  - Publications
    - *Consumer Report* and *Buying Guide* issues
    - Extension service publications
    - *Changing Times*
    - Government bulletins
  - Informative labels
    - May include
      - What the item is made of (ingredient labeling)
      - Size and number
      - Grade
      - Pull-date or package date
      - Care needed
      - Instructions for use
      - Performance information
      - Name and address of manufacturer
  - Brand names
    - Do not necessarily guarantee quality
  - Salespeople
  - Family and friends
  - Advertising (4.2)

FIRST LEVEL

STUDENTS WILL KNOW FACTORS WHICH AFFECT THE PURCHASE OF SPECIFIC GOODS AND SERVICES.

- Identify considerations when selecting transportation.
- Describe aspects which influence housing decisions.
- List factors which influence the purchase of snack foods.
- List considerations when purchasing clothing.
- Outline factors affecting the selection of durable goods.

STUDENTS WILL COMPREHEND THE IMPACT OF SPECIFIC PURCHASES ON FINANCIAL STABILITY.

- Explain the advantages and disadvantages of public transportation.
- Explain the legal implications of housing in various situations.

Ask students to visit a used car lot or invite a car sales representative to class to review points to check when purchasing an automobile. In addition, have students discuss the cost and availability of public transportation in the local area.

Invite a panel of renters and home owners to class to discuss considerations influencing housing decisions, including the advantages and disadvantages of renting and buying.

Show pictures or slides of different types and styles of housing; as a class discuss how the selection and suitability of housing depend upon individual and family characteristics and personal preference.

Invite a real estate agent to class to discuss legal aspects involved in purchase and leasing agreements, including the rights and responsibilities of both tenants and landlords. Ask a banker or representative from a savings and loan association to class to discuss financial aspects involved in purchasing a home.

Discuss the total costs involved in owning a home, establishing how much individuals and families can afford for housing (including discussion of energy conservation and possibilities of solar technology). Discuss the need for young families to plan carefully in order to be in a position to enter the housing market.

Ask each student to keep a record of snack foods purchased over the period of one week; determine factors which influenced each purchase, as well as how much money was spent.

Discuss factors which influence decisions to purchase clothing. Relate current clothing fads to fads in the past by checking clothing styles in school annuals for the last three decades.

Ask groups of students to select certain brands of stereo equipment and investigate warranties, price, construction and safety features, as well as other product features offered by each. Discuss how these differences among brands can help meet individual needs and desires.

SECOND LEVEL

*STUDENTS WILL BE ABLE TO APPLY SHOPPING SKILLS WHEN BUYING SPECIFIC GOODS AND SERVICES.

- Solve transportation problems by identifying appropriate alternatives.
- Prepare a plan to meet short- and long-term housing needs and wants.
- Relate economic conditions to the cost of food.
- Show how clothing purchases reflect personal, economic, and social considerations.
- Use a variety of sources of consumer information to buy specific durable goods.

STUDENTS WILL BE ABLE TO ANALYZE SPECIFIC PURCHASING DECISIONS.

- Select the most appropriate mode of transportation for specific situations.
- Select the most appropriate housing for specific situations.
- Select food which meets personal, economic, and social needs.
- Select the most appropriate clothing purchases

for specific situations.

- Select the most appropriate durable goods purchases for specific situations.

As a class, research newspaper advertisements and articles in magazines concerned with buying and servicing automobiles, warranties, current transportation costs, and potential maintenance and repair performance. Then, ask students to make decisions about transportation for various circumstances considering all forms of available public transportation, what they took into consideration in making decisions, sources of information, and the costs involved. If a student decides to purchase a means of transportation, also include the type, model, accessories, and condition of the vehicle, factors checked in warranty, if any, and projected maintenance and repair factors.

As a class, construct a chart comparing the cost of home mortgage loans with different interest rates; also identify other factors influencing the amount paid for a home, such as the amount required for down payment and the length of time allowed for repayment.

Have students review a hypothetical property tax statement for the local area and compute what share of taxes goes for schools, fire and police protection, and city and county government. Compute tax bills for individuals and families with different levels of property tax evaluations. (2.8)

Have groups of students research articles related to home purchasing and renting considerations; then list or simulate mistakes commonly made and possible consequences of such mistakes.

Have students identify ways consumers can extend their food dollar, such as: buying in quantity; purchasing meat substitutes and extenders, and less expensive cuts of meat; buying the most nutrition for the money; using foods which are in abundance; shopping through newspaper advertisements. Ask students to plan nutritious menus on a low-cost budget utilizing money saving techniques identified above.

Divide students into family groups and prepare shopping lists based on the menus they have planned in advance. Then ask each student in the group to select a different store and calculate the total price currently for all the items on the shopping list. As a class, compare individual item prices and total costs. Identify factors which affect total cost. Identify factors which affect the cost of food, including the form of food (fresh, canned), the type of packaging, cost per serving, brand, etc.

Have students make decisions about food considering such factors as cost, time and energy. Problems to consider include the method of food preparation that is most energy efficient, whether plant protein should be used as a substitute for animal protein (food chain considerations), whether to use a convenience or homemade product, and whether to eat at home or at a fast food restaurant.

Ask students to compute clothing budget allowances for individuals and families given various income levels and using sample budgets or suggested percentages. Relate information to individual and family characteristics and lifestyle to determine whether budgets would be sufficient. As a class, discuss ways to save money on clothing purchases, such as: comparison shopping, interpretation of information, evaluation of quality, planning ahead (shopping through newspaper advertisements), and sewing one's own garments. As a follow-up, ask each student to plan a personal clothing budget.

Obtain several sample hang tags and describe information on the tags concerning product flammability, as well as specific care instructions. Next, evaluate each garment in terms of suitability for a person with a specific handicap; discuss possible solutions.

As a class, discuss techniques for saving money when purchasing furniture, such as: having an overall plan and budget, evaluating quality and design, buying pieces with multiple uses, recycling materials for accessories, shopping through newspaper advertisements. Then ask groups of students to research various aspects of purchasing furniture; develop a list of special points to check before buying wooden furniture, upholstered furniture, mattresses and box springs. Visit a furniture store or invite a furniture store representative to class to answer questions about purchasing furniture. As a follow-up, have students determine furniture needs for an individual's or couple's first apartment; develop a low-cost furnishing budget utilizing money saving techniques previously identified.

Have students research the energy efficiency of major appliances and select those which are most efficient.

THIRD LEVEL

STUDENTS WILL BE ABLE TO INCORPORATE SHOPPING SKILLS AND PURCHASING DECISIONS INTO FINANCIAL PLANS.

- Devise a plan for meeting transportation needs through the use of public or private transportation.
- Explain the effects of increased housing costs on

financial planning in various situations.

- Modify food purchasing habits to reflect changes in food supply and cost.
- Explain how clothing purchases might change with various levels of spendable income.
- Design a long-term plan for purchasing major durable goods under specific economic conditions.

STUDENTS WILL BE ABLE TO JUDGE THE ADEQUACY OF GOODS AND SERVICES PURCHASED.

- Justify specific decisions about transportation.
- Interpret the social and economic impact of housing in various situations.
- Justify the selection of food according to various considerations.
- Support the selection of a clothing item in terms of purchasing considerations.
- Support the selection of durable goods based on shopping skills and other considerations.

Have students review their previous transportation decisions and modify these decisions in terms of conditions currently, as well as additional research. Support a choice in terms of public or private transportation, considering energy use, cost, convenience and personal preference.

Have students research various types of housing available in the local area, considering economic, social and personal considerations. Develop a community plan which addresses short- and long-term housing needs and desires, and support the plan's rationale through modification of financial plans and expenditures. Develop an alternative plan to provide for changes in economic conditions which were not provided for initially.

Ask each student to plan a nutritionally balanced menu that reflects a reduction in food supplies; the reduction should emphasize meat in particular, due to its importance in the food chain and its potential for escalating cost. Justify the menu selected in terms of the personal, social and economic criteria used.

As a class, review criteria involved in the selection and purchase of clothing. Given three different income levels, ask students to justify the selection of a clothing wardrobe for each situation.

Establish a list of major durable goods needed by a beginning family and prioritize the three most essential items. After analyzing brand name models and features, have students utilize comparative shopping techniques at three retail outlets and choose the most appropriate product and store. Justify choices by repeating the process for the other two.

Selection of transportation
Influences on decision-making
- Individual or family characteristics/needs
- Lifestyle preferences
- Social considerations and fads
- Work and hobby requirements
- Intended type of use
- Resources available

Purchasing considerations
- Safety considerations
- Type of vehicle
- Purchase price
- Financing costs
- Model and accessories
- Condition of vehicle
- Potential maintenance and repair costs
- Operating costs/fuel consumption
- Title transfer considerations
- Insurance requirements, costs, availability (2.6)
- Seller warranty, if any
- Availability of service and parts
- Potential for resale

Selection of housing
Influence on decision-making
- Individual or family characteristics/needs
- Lifestyle preferences
- Potential mobility
- Transportation considerations/location
- Availability of housing
- Resources available
- Demands of rental/purchase agreements

Purchasing considerations
- Type and style of house
- Size and arrangement of space
- Location
- Purchase price
- Interior and exterior condition
- Structural soundness
- Equipment/furniture needs
- Environmental considerations
- Maintenance considerations
- Legal aspects (see below)

Legal aspects of housing
- Leases
  - Rights and responsibilities of tenants
  - Rights and responsibilities of landlords
- Contracts (2.7)
- Deeds
- Title search
- Liens
- Warranties on new homes

Financial aspects of housing
- Sources of home mortgage loans
  - Commercial banks
  - Savings and loan associations
  - Life insurance companies
  - Mortgage companies
  - Private contracts
  - Government programs
  - Consumer finance companies
- Types of home mortgage loans
  - Conventional loans
  - Veteran's loans (federal and state)
  - Federal Housing Administration loans
- Total costs of home ownership
  - Closing costs
  - Monthly costs
    - Taxes
    - Insurance (2.6)
    - Principal
    - Interest
    - Maintenance
    - Utilities
- Factors affecting costs of housing
  - Consumer requirements
  - Land costs
  - Costs of materials
  - Costs of labor
  - Costs of interest and financing
  - Government regulations and permits

Selection of food items
Influences on decision-making
- Individual or family preferences and needs
- Cost, time and energy considerations
- Social, cultural and religious considerations
- Emotional state
- Availability of food

- Health and special dietary considerations
- Environmental considerations

Purchasing considerations
- Form (dehydrated, fresh, frozen, etc)
- Intended use
- Packaging
- Labeling
- Nutritive value
- Cost comparisons
  - Price and quality
  - Cost per serving
  - Unit price
- Convenience versus homemade
- Eating out versus eating at home
- Type of store and services
- Promotional techniques

Selection of clothing items

Influences on decision-making
- Individual or family characteristics and needs
- Lifestyle preferences
- Social considerations and fads
- Physical and emotional considerations
- Availability of resources

Purchasing considerations
- Type
- Size
- Styling and fashion
- Intended use
- Labeling
- Safety
- Purchase price
- Construction
- Care and upkeep
- Type of store and services

Selection of durable goods

Influences on decision-making
- Individual or family characteristics and needs
- Lifestyle preferences
- Social considerations and fads
- Physical considerations
- Availability of resources
- Intended use

Purchasing considerations
- Brand
- Model and features
- Size
- Energy efficiency
- Warranties
- Purchase price
- Safety
- Construction
- Care and upkeep
- Type of store, service and repair policy

rights and responsibilities in the marketplace

5.1 The US Economic System

5.2 Rights and Responsibilities of Buyers and Sellers

5.3 Fraudulent and Deceptive Practices

5.4 Sources of Consumer Assistance

5.5 Consumer Legislation

rights and responsibilities in the marketplace

5.1 The U S Economic System

FIRST LEVEL

STUDENTS WILL KNOW WHAT PART CONSUMERS AND OTHER GROUPS PLAY IN THE U S ECONOMIC SYSTEM.

- Describe the major types of economic systems and their purposes.
- List the characteristics of the economic system in the United States.
- Identify how consumers and other major groups interact in the U S economic system.

*STUDENTS WILL COMPREHEND HOW THE U S ECONOMIC SYSTEM AFFECTS THE MARKETPLACE.

- Summarize how basic questions are addressed through the U S economy.
- Explain various types of market structures.
- Give examples of problems with the economy.
- Explain how consumers influence the marketplace.

Show a film or discuss various economic systems. List the various types of systems on the board and identify how each addresses basic economic questions. Have students in groups draw a "slide rule" chart and place each system in sequence to depict how much control each exerts on private property ownership, citizen participation in decision-making, and the rights of the individual as opposed to the social order. Discuss diagrams as a class.

View a film or read about the economic system in the United States; discuss the characteristics of different types of markets in the U S economy and how the U S economy as a whole addresses basic questions.

Have the class explore and discuss such concepts as private property, the profit motive, competition, prices and role of government, and how these factors affect the individual, business, labor interests, government, etc.

List major groups participating in the U S economic system and identify the primary functions of each. Then, using a transparency illustrate the circular flow of goods and services in a "mixed" economy and describe the influence of each group on economic activity, emphasizing the role of the consumer.

List problems which exist in the U S economy. Ask each student to write a paragraph explaining two of these problems.

SECOND LEVEL

STUDENTS WILL BE ABLE TO APPLY ECONOMIC PRINCIPLES TO MARKETPLACE DECISIONS.

- Predict how our economy would address basic economic issues in specific situations.
- Show how consumers are affected by various economic conditions.
- Predict how various types of economic systems meet consumers' needs and desires.

STUDENTS WILL BE ABLE TO ANALYZE THE EFFECTS OF VARIOUS ECONOMIES ON CONSUMERS AND OTHER GROUPS.

- Illustrate how answers to basic economic issues affect the consumer.
- Point out how economic conditions at the international level influence the supply of food and

energy resources in various societies.

Utilizing typical problem situations in the U S economy, such as unemployment, resource depletion, inflation, discuss how different responses to basic economic issues might affect economic conditions. Then discuss: how consumers are affected by various situations, such as inflation, recession, depression, stagflation; how consumers can protect themselves against specific economic developments; what roles consumers, business, labor and government should play toward providing economic stability; how consumers' needs and desires are met through the U S economy, and through other types of economic systems as well.

After reading current newspaper articles and business journals, ask students to discuss the United States' reliance on local, national and international conditions, especially in light of issues of current interest, such as energy, transportation, world food supply, urban renewal, etc.

THIRD LEVEL

STUDENTS WILL BE ABLE TO FORMULATE CONCEPTS ON HOW THE U S ECONOMIC SYSTEM AFFECTS VARIOUS GROUPS.

- Explain how problems in the economy could affect the consumer.
- Reorganize use of personal resources to reflect economic conditions.

STUDENTS WILL BE ABLE TO JUDGE HOW THE U S ECONOMIC SYSTEM INFLUENCES MARKETPLACE FUNCTIONS WORLDWIDE.

- Summarize the effect of a specific action within the economy on various segments of the economy.
- Explain the influence of taxes, savings, investments, and spending on the circular flow of goods and services.

In addressing basic economic issues, choices need to be made. Following research, have students propose answers to the following questions:

How can national growth be balanced with environmental concerns?

How can the consumer judge the long-range economic and social costs and benefits of government programs?

How can the economy and employment be stimulated while, at the same time, the inflation rate be lowered or held to a minimum?

How can competition be maintained as an integral part of the U S economic system and the needs of the less fortunate still be met?

As a follow-up, ask students how reorganization of personal resources could have an affect in solving these issues or reflect conditions brought about by such issues.

As a class, review the circular flow of goods and services studied earlier and, following further research, ask students to choose whether taxation, savings, investments or spending has the greatest impact on the flow of goods and services. Ask students to support their choices by describing both the positive and the negative impact in each situation.

Purposes and types of economic systems
- Purposes—answers basic questions
  - What is to be produced?
  - How should this be produced?
  - How is society to divide or ration the total output?
  - How will scarce resources be used?
  - How flexible and adaptable is the economy to change?
  - Who is permitted to own which items of wealth?
  - What incentives are presented to induce production?
  - What determines individual benefits realized from producing?
  - Who controls distribution?
- Types of economy
  - Command, Traditional, Mixed, Market

Characteristics of U S Economy
- Type—considered a mixed economy; affected by government regulation
- Markets
  - Types—product market (goods and services); factor market (land, labor and capital)
- Structure
  - Pure competiton
    - Large number buyers/sellers
    - Homogeneous product
  - Pure monopoly
    - One firm produces product
    - No close product substitutes
  - Monopolistic competition
    - Large number of sellers
    - Differentiated product
  - Oligopoly
    - Few sellers: interdependent
    - Homogeneous or differentiated product
- Expected outcomes
  - Efficient allocation of resources
  - Goods/services for least cost
  - Buyers determine goods/services
- Problems in the economy
  - Lack of information
  - Resource immobility
  - Lack of perfect competition
  - Controversy of increasing role of government intervention
  - Lack of economic stability due to unemployment, inflation, recession, and stagflation
  - Externalities

Major economic functions of selected groups
- Consumers (individuals and families)
  - Provide labor
  - Consume goods and services
  - Help direct the economy through choices in the marketplace
- Business
  - Provide opportunities for employment
  - Generate profits
- Government
  - Collect taxes (2.8)
  - Modify the distribution of income
  - Strive to maintain full employment
  - Encourage price stability
  - Support economic growth/development
  - Negotiate with foreign producers
- Labor unions (1.4)
  - Represent interests of workers
    - Salary, benefits, working conditions, job security

FIRST LEVEL

STUDENTS WILL KNOW THE RIGHTS AND RESPONSIBILITIES OF BOTH BUYERS AND SELLERS IN THE MARKETPLACE.

- List the consumer's rights and responsibilities in the marketplace.
- List the seller's rights and responsibilities in the marketplace.

STUDENTS WILL COMPREHEND HOW RIGHTS AND RESPONSIBILITIES INTERACT IN MARKETPLACE DECISIONS.

- Give examples of consumer rights and related responsibilities.
- Explain seller rights and related responsibilities.

Using a transparency, list the rights of the "consumer citizen" as defined by Presidential Order. Discuss why, historically and politically, these rights were identified. Have each student select one right, such as the right to be heard, and write a short summary of responsibilities related to the consumer. Next, list and discuss the rights of the sellers; ask each student to select one of these rights and write a brief description of related responsibilities.

SECOND LEVEL

STUDENTS WILL BE ABLE TO APPLY KNOWLEDGE OF THE MARKETPLACE TO VARIOUS SITUATIONS.

- Predict the effects of responsible behavior on the part of the consumer.
- Predict the effects of responsible behavior on the part of the seller.

*STUDENTS WILL BE ABLE TO EVALUATE CONSUMER AND SELLER BEHAVIOR IN THE MARKETPLACE.

- Outline the consumer's rights and responsibilities in specific business transactions.
- Outline the seller's rights and responsibilities in specific business transactions.

As a class, prepare a checklist of the rights and responsibilities of the consumer. Using various hypothetical case studies, determine which consumer rights may have been denied and what action the consumer should take in order to obtain satisfaction in a responsible manner. Next, prepare a checklist of the rights and responsibilities of the seller. Using a hypothetical case study involving shoplifting, determine which seller rights may have been denied (for example, the seller's right to make a profit) and what action the seller should take in order to obtain satisfaction in a responsible manner. As a follow-up, ask groups of students to devise several skits depicting problem marketplace transactions. Have class members discuss the problems and determine whether the consumers, sellers, or both failed to accept responsibility in the situation. Outline specific actions which might have resolved each problem, and ask students to revise skits to depict the results of such actions.

THIRD LEVEL

STUDENTS WILL BE ABLE TO FORMULATE PLANS TO ASSURE CONSUMER AND SELLER INTERACTION IN MARKETPLACE TRANSACTIONS.

- Compose a specific plan of action to resolve a problem with a transaction in the marketplace.
- Write a paper describing the effects of shoplifting on the consumer and on the seller.

STUDENTS WILL BE ABLE TO JUDGE WHEN CONSUMERS AND SELLERS RECEIVE FAIR TREATMENT IN THE MARKETPLACE.

- Justify an action on the part of the consumer in the marketplace in terms of the rights and responsibilities of the consumer.
- Justify an action on the part of the seller in the marketplace in terms of the rights and responsibilities of the seller.

As a class, discuss the impact of shoplifting and breakage on the cost of goods and services; ask student to do follow-up research on the cost of lost goods, protective services and equipment, and enforcement procedures. Have students interview several merchants in the community to determine whether recent literature reflects the costs incurred due to shop-

lifting locally. As a follow-up, have students develop a plan to inform other students about the situation, including assemblies, posters and articles in the school newspaper.

Outline the rights and responsibilities of consumers and sellers as a basis for determining appropriate action in specific situations. Using a variety of hypothetical case studies involving buyer and seller conflicts, simulate each situation and have other students observe and justify the actions of either the buyer or the seller through a review of established criteria.

Responsibilities of consumers

Related to the right to choose
- Develop sound buying habits (4.3)
- Encourage fair treatment by dealing honestly and fairly with all business establishments
- Refuse products which waste resources, damage the environment or are unsafe

Related to the right to be informed
- Become familiar with sources of information on goods and services (4.3)
- Understand warranties and performance claims (4.3)
- Read and assimilate use and care instructions before buying
- Analyze advertisements and recent product developments (4.2)
- Support enforcement of consumer protection laws

Related to the right to safety
- Examine product safety ratings and care instructions
- Use products for intended use and according to directions
- Inform federal, state and local consumer agencies of potentially dangerous or unsafe products (5.3)

Related to the right to be heard
- Understand the consumer's role in the U S economy (5.1)
- Report desires, likes and dislikes, and suggest product improvements to dealers and manufacturers
- Inform seller or manufacturer of unsatisfactory merchandise or service
- Inform governmental, professional or trade associations of unsatisfactory goods and services (5.4)
- Report fraudulent, deceptive and anticompetitive trade practices

Responsibilities of sellers

Related to the right to profit
- Make the most efficient use of resources
- Consider environmental impact of resource use
- Provide goods and services which meet consumer demand

Related to the right to be informed
- Interpret changing consumer needs and desires
- Inform consumers of safety considerations

Related to the right to fair treatment from consumers
- Provide adequate service
- Resolve reasonable consumer complaints with speed and efficiency
- Comply with all state and federal regulations (3.4, 5.5)

FIRST LEVEL

STUDENTS WILL KNOW FRAUDULENT AND DECEPTIVE PRACTICES.

- List significant types of fraudulent and deceptive practices.
- Identify trade practices which could involve fraudulent and deceptive practices.

STUDENTS WILL COMPREHEND HOW CONSUMERS CAN AVOID FRAUDULENT AND DECEPTIVE PRACTICES.

- Explain various types of fraudulent practices.
- Explain methods consumers can use to protect themselves in the marketplace.
- Paraphrase warning signals which may identify fraudulent practices.

Review those provisions of the Oregon Consumer Protection Act which specify unlawful trade practices.

Have students check the newspapers for reports of consumer fraud or deceptive practices and clip articles to bring to class. Organize the clippings under headings as a bulletin board display; headings might include: short weight, repair swindles, charity gyps, health quackery, home improvement swindles, mail frauds, get-rich-quick schemes, work at home schemes, chain letters.

Discuss potential fraudulent sales and how a consumer might prove that advertised sale items have not been reduced in price. Next, simulate a situation wherein a merchant uses a "bait and switch" technique. Discuss why this technique would be considered "bait and switch" as opposed to "trading up," and determine how a consumer can determine the difference between the two.

Discuss ways to identify fraudulent and deceptive schemes. As a class, prepare guidelines for consumer self-protection. Then use student committees to research fraudulent and deceptive practices most prevalent in the community.

SECOND LEVEL

*STUDENTS WILL BE ABLE TO APPLY KNOWLEDGE OF FRAUDULENT AND DECEPTIVE PRACTICES TO CONSUMER TRANSACTIONS.

- Show how a fraudulent practice differs from a similar approach that is a legitimate marketing technique.
- Predict the economic impact of illegal practices on both consumers and sellers.

STUDENTS WILL BE ABLE TO ANALYZE THE EFFECT OF FRAUDULENT AND DECEPTIVE PRACTICES ON CONSUMERS.

- Distinguish between legal and illegal practices in specific situations.
- Select appropriate procedures for reporting illegal practices in various situations.

Illustrate the concept of the "pyramid" sales technique by the multiplying effect that such a technique creates. (For example, by computing one person contacting six friends, and each of those friends each finding another six, and carrying the computation through nine steps, over ten million people are involved.) Discuss the amount of time required to "saturate" a market in a given situation. Estimate how many people might make money from such a scheme, and how many might lose money.

Discuss direct sales techniques which seem to be but are not legitimate marketing techniques. Read about or simulate specific cases of individuals who have been defrauded and decide what legal recourse the consumer might have in each case, including whether such recourse includes a method for the consumer to recoup the loss. As a class, discuss the difference between individual legal recourse and problems which might involve a class action. Determine what types of problems might qualify for class action suits and develop a checklist for evaluating situations as qualifying for class action proceedings.

Visit a small claims court or review available materials to determine the type of action most commonly taken and what effect increasing the maximum award to $700 has had on handling consumer problems.

THIRD LEVEL

STUDENTS WILL BE ABLE TO FORMULATE WAYS THAT CONSUMERS CAN PROTECT

THEMSELVES FROM FRAUDULENT AND DECEPTIVE PRACTICES.

- Create a hypothetical situation involving a fraudulent or deceptive practice and devise a means for resolving it.
- Reorganize personal buying habits so as to avoid problems in the marketplace.

STUDENTS WILL BE ABLE TO JUDGE MARKETPLACE PRACTICES IN TERMS OF FRAUDULENT AND DECEPTIVE PRACTICES.

- Appraise the potential impact of fraudulent and deceptive practices.
- Justify a specific marketplace practice in terms of rights for both the consumer and the seller.

Have students review personal buying practices, including the use and care of products, and determine what changes might help them to avoid problems in the marketplace and gain more satisfaction from purchases and expenditures. Based on identified problems or areas of weakness, ask each student to develop and implement a plan of action to avoid or remedy any inadequacies and justify the plan through documentation of improvements.

Have students research the cost of pyramid sales in a specific situation in terms of the dollar impact on consumers as a whole. Discuss the prevalence of pyramid sales schemes with local, county or state enforcement personnel and estimate the overall impact on legitimate sales, and the economy in general. Based on the findings, support or refute the need for legislation to prevent the growth of pyramid sales schemes and other illegal marketing practices.

Utilizing hypothetical case studies involving indebtedness between two parties, have students explore the outcome of resolving the problem in a variety of ways. Research should include investigation of such recourse as small claims court, collection agencies and private legal action. Ask students to justify the selection of one approach over another and document the rationale behind the selection, including the economic and emotional ramifications of the different choices.

Significant types
Bait and switch
- An insincere offer by a merchant who "baits" the customer into the store with an offer of a bargain, then "switches" the customer's interest to a product with higher profit
- Should not be confused with honest technique of "trading up" (showing features of an entire line)

Referral sales
- Seller promises a money rebate or discount if buyer provides names of potential buyers or other assistance; such promises illegal if
  - Payment is not made as promised
  - Payment depends upon a sale, presentation, or other event subsequent to the time of the buyer's purchase

Fake sales
- Products advertised as sale items when prices not reduced

Lo-balling
- Common practice in sales and repair businesses offering unusually low-priced goods or services
- Item to be repaired is dismantled for one type of repair but additional repair needs are "discovered"; consumer offered special rate for additional repair service, and if refused, additional charges are made for reassembly
- A lien may be put on merchandise to assure payment for services

Pyramid sales and chain letters (multilevel sales)
- Promotion promises big money, fast, and often with little effort
- Promoters use a sophisticated version of the old chain letter device emphasizing profits from sale of distribution rights, rather than a product
- Market saturation occurs quickly
- Chance of making money or even recouping investment is minimal (a few people at the top may make large amounts of money)

Pigeon drop
- Schemes to induce person (sucker) to advance money in hope of sharing in a large pool of money
- Fraudulent inspectors/representative
- Odometer turn back
- False advertising
- Health and nutrition quackery
- Home improvement swindles

Know when and where to seek further recourse
- File a claim with the appropriate governmental agency (5.4)
- Seek legal recourse when advisable
- Use the small claims court
- File individual suit
  - For violations of Oregon Consumer Protection Act, buyer may be awarded
    - Attorney fees and costs
    - Minimum damages of $200
    - Punitive damages
- File a class action
  - May be available when a number of consumers have been injured or deceived

Methods of protecting consumer
Identify deceptive or fraudulent practices; warning signals include claims which imply that
- Something can be obtained for free
- The consumer's home has been selected especially
- High earnings can be realized with no experience
- An advertising survey is being made—a selling technique is being used in lieu of normal advertising
- A consumer must decide immediately or loose opportunity offered

Use safeguards when buying
- Shop at several stores
- Avoid impulse purchasing when pressure techniques involved
- Read and understand all contracts before signing (2.7)
- Check total cost of item, including delivery charges/finance fees
- Ask for references from sales personnel if not representing an established business
- Patronize businesses having a reputation for fair dealings
- Check the validity of certifications and endorsements

Understand warranties before buying
Use correct procedures in resolving complaints
- Know how/to whom to complain (5.4)
  - Be sure complaint is heard by the person or company selling the product first
  - Be specific as to the nature of a complaint
  - Provide evidence of product default
  - Use a firm approach in registering a complaint
  - Indicate type of adjustment requested

FIRST LEVEL

STUDENTS WILL KNOW VARIOUS AGENCIES WHICH PROVIDE ASSISTANCE TO THE CONSUMER.

- Match federal or state agencies with activities or legislation for which they are responsible.
- List services provided by several government agencies.
- List services provided by several nongovernmental agencies.

STUDENTS WILL COMPREHEND THE FUNCTIONS AND SERVICES OF VARIOUS AGENCIES PROVIDING ASSISTANCE TO CONSUMERS.

- Summarize consumer services provided by several government agencies.
- Summarize consumer services provided by several nongovernmental agencies.

As a class, review literature and fact sheets from various federal and state agencies to determine the types of assistance they provide to help the consumer avoid or resolve problems. Divide the class into groups and ask each group to research a major federal or state agency, especially in terms of recent agency activities and services provided to the consumer. Next, as a class, list as many nongovernmental consumer agencies as students can identify; under each list the types of services, materials or activities which the agency provides to consumers. As a follow-up, invite representatives from a state or local consumer group to class to discuss the purposes and current projects of their organization.

SECOND LEVEL

*STUDENTS WILL BE ABLE TO SOLVE CONSUMER PROBLEMS THROUGH USE OF VARIOUS SOURCES OF ASSISTANCE.

- Prepare a list of common consumer complaints and agencies which might help resolve such complaints.
- Show how the methods used to register complaints affect the resolution of complaints.
- Show how to report complaints in specific situations.

STUDENTS WILL BE ABLE TO ANALYZE THE ROLE OF VARIOUS AGENCIES IN ASSISTING THE CONSUMER.

- Identify how various government agencies assist consumers in specific situations.
- Identify how various nongovernmental agencies assist consumers in specific situations.

Review hypothetical case studies involving consumer complaints or problems in the marketplace, and ask students to select the most appropriate federal or state agency or nongovernmental agency to assist the consumer in each situation. Follow with a discussion on the importance of consumer reliability and accuracy when registering complaints and the effect on use of tax revenues if complaints are not reported adequately or are misleading.

List the types of complaints which should be referred to the Consumer Protection Division. Using case studies, ask students to practice writing letters of complaint including all pertinent information needed for investigation. Then investigate how to report complaints to the Consumer Services Division. Review hypothetical case studies to determine whether or not they involve legitimate complaints which should be reported. As a follow-up, conduct a class debate on the question of how much consumer protection should be provided by the government and what responsibilities should be left up to the consumer.

Invite a panel representing both government and nongovernmental agencies to class to describe the types of assistance provided by each.

THIRD LEVEL

STUDENTS WILL BE ABLE TO FORMULATE WAYS TO SEEK APPROPRIATE ASSISTANCE FOR CONSUMER PROBLEMS.

- Write a letter to a specific government agency documenting a problem with a specific product or service.
- Design a form for registering a complaint with either a government or nongovernmental agency.

STUDENTS WILL BE ABLE TO JUDGE THE ADE-

QUACY OF CONSUMER ASSISTANCE PROVIDED BY VARIOUS AGENCIES.

- Appraise the services and functions of various agencies.
- Contrast the cost of consumer assistance provided by various agencies to the potential benefits provided consumers.

Review various types of complaint forms, including the BBB form, mail order forms and samples from several government agencies. Ask students to analyze forms to determine the types of information common to each; establish criteria for developing simple but adequate complaint forms. Next, utilizing the criteria established for complaint forms, ask students to determine how best to document the same information in letter form.

Have students research the historical development of various agencies, organizations and commissions, including functions, services provided and the costs, and ask students to use this information to document an opinion as to the cost-effectiveness and need for the organization or commission; defend continuation, reduction or elimination of the agency, organization or commission.

Selected government agencies

Federal
- Office for Consumer Affairs
  - Refers complaints to appropriate agencies or businesses
  - Lobbies for needed legislation
- Food and Drug Administration
  - Enforces laws to protect consumer in production of foods, cosmetics/medical services
  - Handles consumer complaints about impurities in foods/drugs
- Federal Trade Commission
  - Seeks to prevent false and misleading advertising
  - Seeks to prevent deceptive packaging/labeling of products
  - Seeks to prevent price-fixing and other anti-competitive business practices
- Department of Agriculture
  - Consumer and Marketing Service
    - Inspects meat, poultry, and their products to insure wholesomeness and truthful labeling
    - Develops official grade standards and provides grading services
    - Provides for food assistance programs to needy
  - Federal Extension Service
    - Materials/workshops on consumer education
- Postal Inspection Service
  - Investigates misuses of the mails and warns against mail frauds
  - Protects consumers from illegal materials sent through the mail
- Consumer Product Safety Commission
  - Seeks to substantially reduce injuries associated with consumer products used in and around the home, recreational and institutional environments
  - Handles consumer complaints about product hazards

State and local
- Consumer Protection Division, Attorney General's Office, Department of Justice
  - Established by 1971 Legislature
  - Investigates consumer complaints involving violations of Oregon's Unlawful Trade Practices Act
  - Initiates appropriate legal action on behalf of the State of Oregon and the individual concerned
  - Has statewide jurisdiction in matters involving deceptive trade practices
- Consumer Services Division, Department of Commerce
  - Established by 1971 Legislature
  - Coordinates consumer protection services
  - Furthers consumer education
  - Conducts studies and research
  - Handles complaints
  - Keeps Governor and Legislature informed of consumer matters
- Department of Agriculture
  - Seeks to assure honest and informative labeling, packaging and advertising of foods
  - Inspects and analyzes foods to assure safety, purity, and wholesomeness
  - Promotes accurate measurement of all goods sold to the consumer by weight, measure or volume
  - Controls application of agricultural chemicals and pesticide residue in food
- County District Attorney or Consumer Protection Division, if available
- Oregon State University and county extension offices

Selected nongovernmental agencies

National
- American Council on Consumer Interests
  - Publishes newsletter about consumer information, legislation, and governmental action against fraudulent practices and research
  - Promotes research on consumer products, behavior and education
- Better Business Bureau
  - Registers consumer complaints, but has no legal authority
  - Assists in self-regulation of business
  - Provides consumer information materials
- Major Appliance Consumer Action Panel (MACAP)
  - Consists of representatives of the home appliance industry, including the Association of Home Appliance Manufacturers, the Gas Appliance Manufacturers Association, and the American Retail Federation
  - Provides assistance to resolve and minimize consumer problems with home appliances
- Consumers Union of U.S., Inc
  - Tests quality of products
  - Gives consumers advice and counsel of tested products in a publication, *Consumer Reports*, and other brochures
- Consumers Federation of America
  - Promotes consumer protection through legislation
  - Serves as a liaison with state affiliates in promoting consumer participation and action
- Joint Council for Economic Education
  - Promotes economic aspects of education through materials development, research, and teaching training programs
- Direct Mail Advertising Association, Inc
  - Handles mail order complaints
  - Trade association for major mail order companies
  - Assists in removing consumer's name from their member's mailing list upon request

State and local
- Oregon Consumer League
  - Promotes consumer legislation, research, and education
  - Publishes *OCL Newsletter* for membership
  - Refers consumer complaints and inquiries
  - Provides speakers to organizations and schools
- Oregon Student Public Interest Research Group (OSPIRG)
  - Promotes research/involvement of students in topics of consumer interest

Other
- State Bar Association
- Legal aid societies

FIRST LEVEL

STUDENT WILL KNOW HOW CONSUMER LEGISLATION PROTECTS THE CONSUMER.

- Match provisions of federal laws with the types of protection provided.
- Match provisions of state laws with the types of protection provided.

STUDENTS WILL COMPREHEND THE IMPACT OF CONSUMER LEGISLATION.

- Explain the major provisions of Oregon's Consumer Protection Act.
- Summarize the major provisions of several federal laws enacted to protect consumers.

Discuss with students significant federal and state consumer legislation. Assign student groups to research particular consumer topics, such as credit protection and food safety; have students develop a chronological list of federal and state legislation under each topic area. Then, view a filmstrip about federal and state consumer legislation; identify the agencies (5.4) responsible for enforcing specific laws or regulations in the filmstrip. As a follow-up, invite a guest speaker from one of these agencies to class to discuss the development of legislation through a particular agency, the protection provided to the consumer, and the rationale for passing such legislation.

Review the provisions of the Oregon Consumer Protection Act and determine the types of protection provided. Discuss whether this act primarily protects individual consumers or consumers collectively.

Ask a government or industry representative to class to discuss the distinctions among an act, statute and regulation, and explain how each is passed or enacted. Next, invite a spokesperson from a consumer organization or special interest group to class to discuss how they promote the enactment of consumer legislation. If appropriate, have them describe projected new legislation which they intend to promote.

SECOND LEVEL

*STUDENTS WILL BE ABLE TO APPLY KNOWLEDGE OF CONSUMER LEGISLATION TO VARIOUS SITUATIONS.

- Predict the impact of specific legislation.
- Show how consumers can accept responsibility with regard to legislation and unfair business practices.

STUDENTS WILL BE ABLE TO ANALYZE MARKETPLACE PRACTICES IN TERMS OF CURRENT CONSUMER LEGISLATION.

- Relate the need for specific legislation to marketplace practices.
- Relate how consumers are protected by legislation in specific situations.

Ask each student to select and review a specific piece of federal or state consumer legislation and determine what effects such legislation has on the consumer, producers, business and government interests. Divide the class into groups and have each group outline the consumer's role in protecting self interests. Determine what type of legislation may always be essential due to the consumer's inability to have access to adequate information. Next, have students investigate how consumers are protected against the sale of goods and services which might endanger life or health. Have students discuss which safety measures seem adequate, what further legislation seems necessary and how this additional legislation would be accomplished. Then divide the class into groups to investigate and report on specific legislation, including measures for enforcement.

List various licensing requirements according to types of services and discuss how these protect the consumer. Ask the class to identify current state licensing regulations. Have individual students investigate licensing requirements pertaining to an occupation of their choice and report how such requirements protect the consumer as well as business and industry interests.

THIRD LEVEL

STUDENTS WILL BE ABLE TO PROPOSE WAYS CONSUMER LEGISLATION AFFECTS BOTH CONSUMERS AND SELLERS.

- Summarize the economic impact of consumer legislation on both consumers and sellers.
- Explain the possible effects of a specific law on the consumer.

STUDENTS WILL BE ABLE TO JUDGE THE ADEQUACY OF SPECIFIC CONSUMER LEGISLATION.

- Appraise the effectiveness of a specific federal or state law in protecting the consumer.
- Support the decision to increase or decrease consumer legislation in specific situations.

Invite a panel representing industry and government to class to discuss the costs of enacting and enforcing specific legislation from their point of view. Follow with a discussion on whether consumers should be protected by legislation when it is costly.

Based on previous study, ask students to research the background and development of a significant federal or state law. Use research journals and briefs of legal decisions to determine the effects on consumers. Next, as a class compile research data and have students debate whether part or all of the legislation should be expanded or eliminated; justify positions based on cost-effectiveness and potential for providing consumer protection that cannot be achieved through other channels.

Display newspaper clippings regarding both projected new legislation and newly enacted legislation. Have students discuss the types of legislation which might be considered at a later date and the possible reactions of various special interest groups to such legislation.

Significant federal consumer legislation

1872—Mail Fraud Act of 1872
- Makes it a federal crime to defraud through use of the mail

1914—Federal Trade Commission Act
- Sets up the Federal Trade Commission, which among other responsibilities is concerned with "unfair methods of competition" such as deceptive advertising

1938—Federal Food, Drug, and Cosmetic Act of 1938
- Strengthens the Food and Drug Act of 1906 by extending coverage to cosmetics and devices
- Requires predistribution clearance of safety on new drugs
- Provides for tolerance for unavoidable or required poisonous substances
- Authorizes standards of identity, quality, and fill for containers of foods

1939—Wool Products Labeling Act
- Provides for proper labeling of the kind and percentages of each type of wool

1953—Flammable Fabrics Act
- Prohibits the shipment in interstate commerce of any wearing apparel or material which could be ignited easily

1962—Kefauver-Harris Drug Amendments
- Requires drug manufacturers to file all new drugs with FDA
- Requires pretesting of drugs for safety and efficacy
- Requires labeling of all drugs by generic name

1965—Fair Packaging and Labeling Act ("Truth-in-Packaging")
- Regulates the packaging and labeling of consumer goods
- Provides that voluntary uniform packaging standards be established by industry

1966—National Traffic and Motor Vehicle Safety Act
- Authorizes the Department of Transportation to establish compulsory safety standards for new and used tires and automobiles

1966—Child Safety Act
- Strengthens the Hazardous Substances Labeling Act of 1960
- Prevents the marketing of potentially harmful toys
- Permits the FDA to remove inherently dangerous products from the market

1966—Cigarette Labeling Act
- Requires cigarette manufacturers to label cigarettes: "Caution: cigarette smoking may be hazardous to your health."

1968—Consumer Credit Protection Act ("Truth-in-Lending")
- Requires full disclosure of annual interest rates and other finance charges on consumer loans and credit transactions (3.4)

1969—Child Protection and Toy Safety Act of 1969
- Amends Federal Hazardous Substances Act to protect children from toys and other articles, intended for use by children, which are hazardous due to the presence of electrical, mechanical, or thermal hazards

1970—Fair Credit Reporting Act
- Regulates credit information reporting and use

1970—Poison Prevention Packaging Act
- Authorizes identification of potentially lethal substances that should be sold in child resistant packages and setting of standards for the packaging

1972—Care Labeling Act
- Requires that certain articles of wearing apparel be permanently labeled with laundering and dry cleaning care instruction

1972—Consumer Product Safety Act
- Creates new independent federal regulating agency—Consumer Product Safety Commission (5.4)
- Assumes authority for Federal Hazardous Substance Act, Poison Prevention Packaging Act, Flammable Fabrics Act, and the Refrigerator Door Safety Act

1974—Fair Credit Billing Act
- Establishes procedures for correcting billing mistakes in open-end credit transactions (3.4)

1974—Equal Credit Opportunity Act
- Prohibits discrimination on such basis as sex, marital status, age or race (3.4)

1975—Magnuson-Moss Warranty Improvement Act
- Specifies minimum disclosures for written warranties

1977—Fair Debt Collection Practices Act
- Amends Consumer Credit Protection Act
- Provides that debt collection practices be fair and not violate the consumer's rights
- Applies only to personal, family or household transactions and to independent third parties collecting debts (3.4)

Significant state consumer legislation

1965—Oregon Consumer Protection Act
- Protects consumers from "fast buck" sales personnel who phone or call at door

1971—Consumer Protection Act
- Defines "consumer paper"
- Alters the Holder in Due Course Policy to make lending institutions liable on retail installment contracts up to the amount owing on the contract
- Changes the deficiency judgment policy in two ways if amount owing at time of default is less than $1,250, seller may not obtain a deficiency judgment if there is a repossession or voluntary surrender. If amount owing at time of default is $1,250 or more, in order to obtain a deficiency judgment, the seller must bring default action within 90 days of repossession
- Seller must credit the fair market value of the item at the time of repossession

77

Gives a buyer the right to cancel home solicitation sales up to three days after purchase (does not apply to cash or check purchases in amount of $50 or less)

Prohibits misrepresentations or deception in consumer transactions by defining specified unlawful trade practices, including

Representing that goods and services have sponsorship, approval, characteristics, ingredients, uses, benefits or qualities that they do not have, or that a person has a sponsorship, approval, status, qualification, affiliation, or connection that the person does not have "bait and switch" advertising

Other false advertising concerning prices or quantities

Misrepresentations about the availability of credit or the nature of the transaction or obligation incurred

Servicing or dismantling appliances, machinery, or a mechanical device when not authorized by the owner

Failure of telephone or door-to-door solicitor to identify self or state the purpose of the contact within 30 seconds

Certain aspects of referral sales (5.3)

Promising to deliver goods or services within a certain period of time with intent not to deliver them as promised

1973—Consumer Protection Act (Amendments)

Extends application to real estate transactions and to transactions involving goods, services, and real estate purchased for resale as well as personal use

Defines and prohibits "pyramid clubs"

Applies to all multilevel sales programs which require an investment by the buyer and offer the buyer an opportunity to sell or assist in selling positions in the company to other persons who then can also sell or assist in selling positions

1973—Class Actions

Authorizes class actions in state courts when there are common questions of law or fact and the class is so numerous that joinder of all the members is impracticable

1973—Open Dating Law

Amends Oregon Food Laws

Requires all perishable foods with a shelf life of 30 days or less which are sold in Oregon to be open dated

Excludes produce from the listing of perishable foods

1973—Residential Landlord-Tenant Act

Comprehensive regulation of landlord and tenant responsibilities and rights

1975—Generic Drug Substitution Law

Allows pharmacy to substitute a prescribed brand name drug with a generic drug unless purchaser or physician states otherwise

1975—Unit Pricing

Required of stores selling $1.5 million per location per year

Exempts fresh produce

Establishes price per measure, such as pound

1979—Small Claims Court

Increases Small Claims Court limit from $500 to $700

Other regulations and/or licensing

Requires licensing (and in some instances bonding) of specified dealers, agencies, companies and repair and service personnel, such as: motor vehicle dealers, pawnbrokers, home builders, small loan companies, employment agencies, credit unions, collection agencies, insurance companies, and home improvement agencies

73

YOUR VIEWS ARE IMPORTANT! After you read and examine this publication, please forward your comments to the publications staff of the Oregon Department of Education. If you would rather talk by telephone, call us at 378-8274. Or, for your convenience, this response form is provided.

PLEASE RESPOND so that your views can be considered as we plan future publications. Simply cut out the form, fold and mail it back to us. We want to hear from you!

Did you read this publication?

___ Completely
___ More than half
___ Less than half
___ Just skimmed

Does this publication fulfill its purpose as stated in the preface or introduction?

___ Completely
___ Partly
___ Not at all

Did you find this publication useful in your work?

___ Often
___ Sometimes
___ Seldom
___ Never

Which section is most valuable? _____
_____

What type of work do you do?

___ Classroom teacher
___ Consultant to classroom teachers
___ School administrator
___ Other _____

Would you recommend this publication to a colleague?

___ Yes, without reservations
___ Yes, with reservations
___ No
___ Other _____

Did you find the content to be stated clearly and accurately?

___ Always yes
___ In general, yes
___ In general, no
___ Always no
___ Other _____

Were the contents presented in a convenient format?

___ Very easy to use
___ Fairly easy
___ Fairly difficult
___ Very difficult
___ Other _____

Did you find this publication to be free of discrimination or biased content towards racial, ethnic, cultural, handicapped, and religious groups, or in terms of sex stereotyping?

___ Yes, without reservations
___ Yes, with reservations
___ No
___ Other _____

What is your impression of the overall appearance of the publication (graphic art, style, type, etc.)?

___ Excellent
___ Good
___ Fair
___ Poor

When this publication is revised, what changes would you like to see made? _____
_____
_____
_____

Additional comments. (Attach a sheet if you wish.)

_____
_____
_____
_____

Thanks!

Fold here and seal

No Postage
Necessary
If Mailed
in the
United States

BUSINESS REPLY MAIL

FIRST CLASS PERMIT NO. 168, SALEM, OREGON

POSTAGE WILL BE PAID BY ADDRESSEE

Publications Section
Oregon Department of Education
Salem, Oregon 97310

Fold here and seal

Contains Recycled Materials